The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

A Courageous Woman Who Walked to Tibet

Mukden Refuses Cooperation in Yen's New "Government"

Latest Developments in Sino-Soviet Diplomatic Relations

By K. S. Weigh

Truth About the China Merchants S. N. Co.

By Paul K. Whang

Mr. Clear and His $84,000 Job!

Reported Negotiations for Sale of C.E.R.; 900,000 Koreans—Rebels or Communists; Two British Soldiers and Shanghai's "Snares for the Unwary;" Britain's New Policy in the Near East, by Dr. Taraknath Das; House Building a Profitable Investment in Harbin, by E.U. Barung; Japan's "Monroe Doctrine" at Williamstown Conference; Some Thoughts on Japan's "Buy at Home" Drive; On a Settlement Tramcar; The Great Silver Question, by W.F. Spalding.

SATURDAY, SEPTEMBER 13, 1930 VOLUME 54, NUMBER 2

FORTY CENTS A COPY

54-049

THE CHINA UNITED ASSURANCE SOCIETY, LIMITED,
SHANGHAI

1929 BALANCE SHEET

ASSETS

Cash in Hand and in Banks	$ 77,848.48
Investments, Bonds, Debentures, Real Estate	2,559,848.15
Mortgages and Policy Loans	1,202,965.75
Deferred and Outstanding Premiums Less Reserve	151,048.75
Interest Accrued, Deposits for Leased Premises, etc.	45,674.27
Branch Agency Balance	67,008.41
All other assets including sundry debtors, furniture, stationery and equipments, etc.	171,237.86
Total	$4,275,631.67

LIABILITIES

Capital	$ 273,972.60
Sinking Fund for Depreciation of Property	93,777.00
Currency Reserve	33,836.44
Deposits Savings Department	265,900.33
Interest Received in Advance	29,135.70
Premiums in Suspense	2,973.23
Sundry Creditors, etc.	36,866.07
Reserve Funds for Security of Policyholders	3,539,170.30
Total	$4,275,631.67

We have examined the above Balance Sheet with the Books and Vouchers of the Company and in our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of Company's affairs on December 31st, 1930, according to the best of our informations and explanations given to us and as shown by the Books of the Company. We have verified the existence of the Securities.

Thomson & Co
Chartered Accountants

17th June, 1930.

Since the Society was founded the following sums have been distributed to the families of deceased policyholders or to the policyholders themselves:—

Total Death Claims Paid	**$ 2,564,170.51**
„ Matured Endowments and Surrender Values	**2,167,890.30**
„ Bonuses to Policyholders	**232,809.67**
„ Policy Contract Payments	**$ 4,964,870.48**

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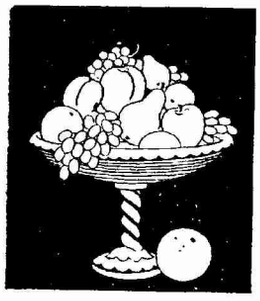

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密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

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Formerly Millard's Review

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NOTICE

THE CHINA WEEKLY REVIEW HAS DISCONTINUED ALL CONNECTION WITH THE WORLD WIDE NEWS ASSOCIATION, FORMERLY ITS BUSINESS REPRESENTATIVE IN NEW YORK. DATING FROM MARCH 1, 1930 ALL SUBSCRIPTIONS OR INQUIRIES PERTAINING TO ADVERTISING OR SUBSCRIPTION SHOULD BE SENT DIRECT TO THE OFFICE OF PUBLICATION, No. 38 AVENUE EDWARD VII, SHANGHAI, CHINA.

WASHINGTON BUREAU

J. J. Underwood—Correspondent

Colorado Building, Washington, D. C.

A. C. CLEAR AND HIS $84,000 POSITION!

A C. CLEAR, before "accepting" his present job with the Shanghai Municipal Council, was chief engineer and general manager of the Shanghai-Nanking and Shanghai-Hangchow railway, in which British interests have a large investment. As a result of an investigation into the affairs of the railway which was conducted by the Chinese National Ministry of Railways, assisted by some American railway experts, Mr. Clear was "let out" or permitted to resign. There was considerable noise about the matter in the local foreign and Chinese press, but the British interests having large investments in the railway did not put up any fight to have Mr. Clear reinstated. The Shanghai Municipal Council then employed Mr. Clear and made him head of the so-called "Salaries Commission," the object being to investigate the question of municipal salaries with the idea of effecting economies. Along with this new position which was created for Mr. Clear went a salary of Tls. 2,000 a month, for a period of 18 months, *and in addition,* he is expected to receive a bonus of Tls. 25,000, making Tls. 61,000 in all. This sum of Tls. 61,000, reduced to every-day Chinese dollars, which we can all understand, figures out at about $84,000, for 18 months of work, or about $4,600 a month, which, even in these evil days of depreciated silver amounts to about G.$1,300 a month, not a bad salary in this period of trade depression.

Recently the Municipal Council issued a so-called "Salaries Report," obviously the work of Mr. Clear. Frankly, we do not understand this report, which is written in a highly technical manner; one being almost forced to the conclusion that it was purposely written in this manner to cause confusion in the minds of local tax-payers who must pay the bills. However, those who have studied the report, claim that it amounts to nothing more nor less than an attempt to saddle a further heavy financial burden on the foreign settlement. While it is true that many of the local foreign municipal employes are underpaid, it is also an undisputed fact that most of these municipal jobs could be filled by Chinese for probably half the amount now spent on foreign salaries. Since Shanghai is in fact nothing more nor less than a Chinese city under foreign control, there is no reason why most of the employes should not be Chinese. So long as foreign control continues the head or "key" positions should, obviously, be filled by foreign experts, but as for the remainder,

properly trained Chinese should be able to do the work. And since the days of foreign control are numbered, steps should be taken to train Chinese in municipal administration—for the jobs which they will be forced to shoulder later on. But this isn't the idea of the little group that controls the Municipal Council of the International Settlement. Their idea is to get all they can while the getting is good; hence the employment of Mr. Clear and the resulting "Salaries Report." Sufficient time has not yet elapsed for this report to soak through the heads of the local Chinese tax-payers, who pay probably 80 percent of the revenues that go to the maintenance of the local foreign administration. But when it does soak through, we imagine that there will be a great outcry and possibly a renewal of the demands for complete Chinese control of the foreign settlement. With a major civil-war on their hands, the Chinese have had little to say recently on the question of rendition of the Settlement, but when the war is over and the bills have to be paid, it probably will be another story. The action of the Settlement authorities in employing Mr. Clear, after he had been "let out" by the Chinese, was bad enough. His employment at what most persons consider an exorbitant salary, obviously makes the situation worse. And now, to add insult to injury, Mr. Clear is responsible for a recommendation that all municipal salaries be increased, thus adding a further financial burden to local business interests already harassed by adverse conditions to such an extent that they are forced to cut salaries or drop employes entirely. And to make matters still worse, Mr. Clear's report says absolutely nothing about increasing the salaries of Chinese employes of the Settlement who occupy the bottom or menial positions, Taken altogether the Muncipal Council has provided its Chinese political enemies with the best possible ammunition for renewing their agitation for throwing out the foreign administration entirely!

REPORTED NEGOTIATIONS FOR SALE OF C. E. R.

NEWSPAPER reports from Berlin alleging that the Soviet Russians were negotiating for the sale of the Chinese Eastern Railway to American interests, have been denied from so many quarters that one is led to wonder whether there isn't something back of the report. The latest report, which was circulated by the new French news service, carried a Berlin date line and declared that despite the denials, such negotiations between the Soviet Government and a certain American financial group were proceeding. A German newspaper was quoted as stating that the Soviet Government was planning to buy back the title-deeds of the Russo-Asiatic Bank for 67 percent of their face value. This latter statement, combined with the fact that the news report was circulated by the French news service, rather lets the cat out of the bag as to the real source of the report. Since the French financed the C. E. R. originally through the old Russo-Asiatic Bank, and since French financial interests still hold the title-deeds, there is nothing the French financiers would rather see than a sale of the C. E. R. to American interests as a means of liquidating their long-defaulted obligations. They probably would be more than glad to receive 67 percent of their original investment. Also, it was interesting that the same French news service issued a further report from Tokyo dealing with the same subject, this report indicating the skepticism of the Japanese that Soviet Russia would consent to a sale of the C. E. R., and declaring that even if the Soviet wished to sell, such a move probably would be opposed by the Japanese. Concluding, the French report declared that if the Soviet really wished to sell the railway that China would be the logical purchaser.

Although the Soviet Government may claim to be the legal successor of the late Czarist Government, which constructed and owned the C. E. R., it is extremely doubtful whether Moscow would be able to interest any group of American financiers to make a bid for the line. A clause in the old Sino-Russian agreement of 1896 prevented either party from disposing of the railway without the consent of the other, and the most recent 1924 agreements, gave China the right to purchase the road. But when Mo Teh-hui, chief Chinese delegate to the Sino-Russian conference in Moscow, brought up the subject of China's possible purchase, the Russians immediately indicated their disinclination to talk sale by placing an exorbitant valuation on the line. There is a possibility now, of course, that since the C. E. R. is in such a desperate financial condition that the Russians might wish to get out, but while many changes have taken place in Russia since the passing of the Czar, there has thus far been little change in Russian's Far Eastern policy. Only when Russia is finally convinced of the complete failure of her Far Eastern policies, otherwise is convinced of her definite inability to obtain an outlet to a warm-water port on the Pacific, then only will Russia consent to a sale of her interests in the Chinese Eastern Railway.

And should Russia consent to a sale of the road, the logical purchaser, of course, would be China as the railway passes through Chinese territory. China never would consent to a sale of this important road to a third interest, for this would amount to nothing more than swapping one foreign horse for another. Hence, in view of this situation it is extremely unlikely that any American financial interest would venture into this field of complicated international politics. But if China could induce the Soviet Russians to dispose of their interests in the C. E. R., it would be quite logical for China to approach American bankers for the necessary financing. Such a move would go a long way toward the solution of one important phase of the so-called Manchuria question, for if American financiers should consent to lending China the money for purchasing the C. E. R. it would be quite logical for them to insist that Moscow use this money in liquidating the old Czarist C. E. R. debt to the French. To pursue the speculation further, it is well to remember that the C. E. R. is broad-gauge, hence does not fit in with the other Chinese railways which are standard-gauge. Should China purchase the C. E. R., her first move probably would be to make the road standard-gauge. This would offer opportunity for the Chinese authorities to dispose of all of the present rolling-stock to the Russian state railways, which are also broad-gauge. The present C. E. R. broad-gauge equipment could thus be disposed of to the Russians and credited on the road.

However, in view of the present state of world opinion, it is rather difficult to imagine such a peaceful solution of the C. E. R. problem, but if it could be brought about, it would provide an excellent precedent for a solution of the Sino-Japanese problem in South Manchuria which centers about the Japanese Government-owned South Manchuria Railway. But, as stated, it is difficult to imagine such a peaceful solution of the so-called Manchurian problem—rather we imagine that it will require a war before any of the interests involved in this struggle will be willing to consent to an equitable solution.

In the meantime reports from Manchuria are anything but reassuring. Dispatches from Moscow, refering to the Sino-Russian C. E. R. conference quote Karakhan of the Soviet Foreign office as declaring that China must fulfill all of the conditions of the Habarovsk protocol; that the Russians are pursuing a "dilatory" policy toward the Conference; that Mo Teh-hui, the Chinese chief delegate is disheartened and wants to return home; that there is little likelihood of a formal conference being held to settle the C. E. R. question, unless China would be willing to grant the Red Russians full diplomatic recognition beforehand; that China must recognize the autonomy (under Soviet control) of Outer Mongolia, etc. etc. As for conditions in North Manchuria they appear to be again approaching a crisis as the C. E. R. is rapidly going bankrupt and is unable to meet its obligations to its staff, many of the employes being many months behind in the receipt of their salaries.

As for Soviet activities in Manchuria, always a barometer of Sino-Russian relations, reports from Harbin tell of Soviet gunboats violating Chinese territorial waters by invading the mouth of the Sungari, of Red Russian airplanes flying over the Chinese frontier at Taheiho, of Red army demonstrations at Manchouli and of Soviet-inspired outlaw bands operating in Heilungkiang province. The *Shun Pao* on August 26 carried a report from Outer Mongolia stating that Red Russian agents were active in the formation of Mongolian militia units for purposes of aggression in Inner Mongolia. Also, the serious economic problem in North Manchuria is being aggravated by the influx of Russian peasants who are being driven from their homes in Siberia by Soviet oppression. A somewhat similar problem also exists in Chinese Turkestan, where, according to report, thousands of Russian peasants have fled in order to escape the persecutions of the Soviet Government. Recently one of the Soviet consular officials in Tsitsihar, capital of Heilungkiang province, was robbed and wounded while proceeding in a motor car from the town to the railway station. Whether this was plain robbery or retaliation for some act of the Soviet in North Manchuria is not known, but the incident was given prominence in the Moscow official press, the allegation being that it was inspired by "Russian White Guards" always a good alibi when the Red Russians want to put over some fresh act of aggression on Chinese soil. In the meantime the Russian emigree communities in China are holding benefits in order to finance orphanages which are caring for the children of White Russians whose parents were massacred by the Reds during the Sino-Russian complications over the C. E. R. last year.

900,000 KOREAN REBELS OR COMMUNISTS?

WANG Chia-cheng, native of Kirin province of Manchuria, recently appointed vice-minister of Foreign Affairs in the National Government at Nanking, recently made a speech in which he referred to the ever-pressing diplomatic problems of Manchuria. One of these problems, affecting the relations of northeastern China and Japan, is concerned with the presence in Kirin province of some 900,000 immigrants from the neighboring Japanese colony of Korea. Some of these Koreans, Mr. Wang classed as "undesirable" immigrants because of the complications which they cause in the relations of China and Japan. In the city of Harbin a few weeks ago a group of these Korean settlers stoned the local Japanese consulate. A few days later other Koreans in the so-called Chentiao district of Kirin province raided and burned considerable Japanese property. In the city of Kirin, capital of the province, a plot was discovered whereby the Korean emigrants had planned a further raid on Japanese consular and other property. The Chinese authorities searched some forty Korean houses in the Kirin capital and found much revolutionary propaganda, some of it of communistic character. A further center of Korean revolutionary activities was discovered in the city of Hailin on the eastern line of the Chinese Eastern railway. Reports from Manchuria indicate that the Korean revolutionists or "communists" not only conduct propaganda against their Japanese masters in Korea, but also among the Chinese peasants and laborers.

There is nothing new about this Korean emigration into South Manchuria. It has been going on for many years, the reasons being many: Japanese oppression in the form of police surveillance and heavy taxation, and the lure of cheap land in the thinly-settled Chinese area. Another reason has been Japanese-fostered Korean emigration, certain Japanese organizations such as the Oriental Development Corporation having encouraged the Koreans to emigrate to Manchuria for purposes of commercial profit through the exploitation of Japanese land, mineral and timber concessions. Chinese interests in Manchuria claim that much of this exploitation of Korean immigrants has been for purposes of territorial aggression. The Chinese have attempted to solve this problems by naturalizing the Koreans into Chinese citizens, but the Japanese have objected to this and have invoked their rights of exterritoriality as a means of preventing the Chinese authorities from taxing and controlling their Korean guests. Undoubtedly many of the Koreans have been used by Japanese exploiters for purposes detrimental to Chinese national interests, an instance of this in Harbin having been noted in *The Review* several months ago when it was shown that North Manchuria is filled with Korean dope peddlars who are employed by Japanese manufacturers of narcotics. When the Chinese attempted to arrest these Korean dope peddlars, they immediately ran to the Japanese authorities for protection.

At this point there enters a third element to further complicate Manchurian and Chinese political affairs: the Soviet Russians, who have found these discontented Korean settlers the best

possible prospects for communistic propaganda. During the Sino-Russian complications last year the Red Russians organized a regiment of Korean emigrees and used them in making raids on the Chinese border. Also, the Russians let it be known that this Korean regiment at some time in the not-distant future might be used as the nucleus of a Korean revolutionary army to wrest Korea from Japanese rule. And since the Korean emigrees are discontented, the Soviet propagandists also find them useful in intrigue against the Chinese authorities in the Northeastern provinces. The Korean emigree thus becomes a pawn in the devil's game of intrigue which is constantly going on in this Chinese frontier territory. What the final outcome will be no one can say, but that the seeds of future war are being planted in this territory seems a logical conclusion!

A COURAGEOUS WOMAN WHO WALKED TO TIBET

THE conviction is growing that Oriental women have more courage and initiative than the men. We have in mind now the exploit of Miss Liu Man-ching, who apparently has succeeded in doing something that Chinese men have failed at for more than twenty years. Miss Liu's exploit consisted in making the long and dangerous trip from Nanking to Lhasa and in successfully paving the way for a reconciliation between China and the Tibetan Government. The story of Miss Liu's notable diplomatic mission appeared in *The Review* on September 6, and the results of her memorable exploit are likely to have tremendous consequences in the politics of Central Asia—battle ground of British, Chinese and Soviet Russian intrigue and high-politics. Miss Liu is a Tibetan girl who came to China for an education. She attended one of the normal schools for women in Peiping and then took a course in medicine at a mission school, her original intention being to return to her native land and become a doctor. But owing to complications with the missionary authorities over the religious question, she quit school and went to Nanking where she joined the so-called Committee on Mongolian and Tibetan affairs. In July last year she decided to make the trip to Lhasa for the purpose of explaining the policies of the National Government and the Kuomintang to her native people. Traveling overland, by way of Szechuen, she reached Batang on the headwaters of the Upper Yangtsze in October. She then walked more than 100 miles over the mountains to the Tibetan border where she was provided with a Tibetan guard. She managed to reach Lhasa, the famous Central Asian capital in February of this year. It had required eight months of steady traveling. As for the distance, it measures about 1,800 miles in a straight line, but Miss Liu, this twenty-four year old Tibetan girl probably had to travel three thousand miles to reach her destination. She returned to Nanking by way of India, passing through the Nepal state which at that time was at war with the Tibetans. While in Lhasa Miss Liu explained to the Dalai Lama the policies of the National Government and the Kuomintang toward the so-called border peoples of Central Asia. That her mission was successful in convincing the Tibetan ruler of the friendship of China, has recently been indicated in news reports from Nanking telling of the arrival in that city of a delegation from Lhasa. Gen. Ma Fu-hsiang, head of the Mongolian and Tibetan Committee of the Government, accompanied by the members of the Tibetan delegation, departed for northern Honan last week for an interview with Gen. Chiang Kai-shek.

As stated, the conviction is growing that Oriental women have more courage and initiative than the men, hence we take pleasure in listing the name of Miss Liu Man-ching among the notable women of Asia who have accomplished something of consequence in fields where men have failed. When the history of Asia's revolutions and turmoils is written it will inevitably contain the names of many notable women. Almost daily the cables from India tell of the revolutionary exploits of Indian women who have had the courage to do something sufficiently notable to get themselves put in jail by the British authorities; all of which, in the long run, will count large in the inevitable victory of the Indian people for independent nationhood. The same thing has happaned in the revolution in this country where many notable Chinese women have written their names on the record of accomplishment. A few days ago there was a report in the Chinese newspaper that a so-called "Women's Pacification Corps," headed by a Miss Hsieh Po-chen had departed for the Honan front to assist the Government forces in the fight against Marshal Feng's Kuominchun rebels. The report stated that a corps of thirty Chinese women will take over the work of propaganda in Gen. Chiang's army, hence it is quite likely that Marshal Feng and the Kuominchun will shortly give up the struggle and hurry back to Shensi and thus stop the war. At any rate it is interesting to record that the Chinese women have again decided to take a hand in the struggle and hasten the coming of peace. Aside from politics, there's another interesting field where Chinese women have won a victory where Chinese men have miserably failed. We refer to styles in clothing. Dr. Sun Yat-sen and his associates did everything possible to eliminate the old cumbersome Chinese style of clothing in favor of the more economical and efficient foreign style of dress. For a time it appeared that Dr. Sun's campaign would succeed, but recently the reactionaries have had their day and now everybody seems to have gone back to the old "long-gowns" of the ancestors. But not the Chinese women. They decided to change the Chinese styles for women and they did just that in a comparatively brief period of time until one seldom sees Chinese women now-a-days attired in the old mode of dress; at least this statement holds goods for most of the large cities of the country.

Julean Arnold to Address Shanghai Labor Forum

"American Methods for Improving China's Industries" is the subject of an address which Julean Arnold, American Commercial Attache for China, will deliver at the ninth session of the Shanghai Forum. Tuesday afternoon, September 10, at 5:15. Mr. Arnold, who has been in China for about twenty years, is thoroughly conversant with labor and industrial conditions here, and is the author of *A Commercial Handbook of China* and *Some Bigger Issues in China's Problems*. The Labor Forum is an informal organization of Chinese and foreigners in Shanghai who are eager to learn the facts about labor and industry, and to discuss impartially the various ways suggested for the betterment of industrial and labor conditions.

TWO BRITISH SOLDIERS AND "SNARES FOR THE UNWARY"

TWO British soldiers, young Englishmen, who came out to Shanghai with the British defence forces, were caught in what was described at the recent trial in the British Supreme Court as Shanghai's "snares for the unwary," and as a result received sentences in jail at hard labor. The young men were both members of the Royal Army Medical Corps and the particular "snares for the unwary" in which they became involved were greyhound racing and gambling and other illegal and immoral enterprises which are operated within the foreign settlements, which the foreign defence forces were sent out here to protect. The record of these two recent cases, which appeared in the *North-China Daily News*, official British newspaper on August 30 and September 6 are significant of conditions prevailing within the foreign administered areas. The first case was that of Private Irving Runie, 24-years of age, who joined the British army in England two years and seven months ago and who arrived in Shanghai with his regiment in November, 1929. He arrived in Shanghai with an "unstained record" to quote from the report of the trial. In June of this year he received a telegram from home telling of the death of his wife and little son. This shock had the inevitable result: Private Runie took to drink, the opportunities for which indulgence exist here in unrestricted form, in fact with less restrictions than exist anywhere else in the world. In an effort to drown his sorrows, (this is copied from the account of the trial) Private Runie "got in with a set of people with more money than he had, a fact which he did not like to confess. He was thus started on the downward path. As with many young men, who come out here, he found to his horror at the end of the month that he had signed more 'chits' than he could possibly pay, and he was too proud to tell others he could not carry on; his mind being affected, he resorted to forgery..." Judge King, in the British Supreme Court, sentenced Private Runie to a year in jail at hard labor.

We now come to the case of Private Sydney Walter Bourne, also in the Royal Army Medical Corps, his case being associated with that of Private Irving Runie. Private Bourne, according to his own testimony (*N. C. D. N.*, Sept. 6) became involved in debt "due to greyhound racing," hence in order to raise money he went to an Indian money lender and signed a fraudulent promissory note. Part of the money he obtained, according to the testimony, went to help his friend, Private Runie, whose trouble resulted from "going to various places where drink is served and taking on too much." Judge King, after listening to the testimony in Private Bourne's case, sentenced him to six months in jail, also at hard labor. Attorney E.T.Maitland, who defended Private Runie, stated in the course of the trial, "Private Runie is only 24 years of age. He came to Shanghai with his regiment with nothing against him. Shanghai is, as your Lordship knows, a snare for theunwary in view of the very easy manner in which young people who come out here can sign 'chits' and obtain credit thereby." Private Runie' s particular offense was that in order to obtain money to liquidate his drink bills, he went to various Shanghai shops and obtained merchandise on credit. This merchandise, he pawned in order to obtain the needed funds. After getting in so deep there was no way out, so he apparently had planned to desert from the army and run away, but was arrested with the afore-mentioned results.

Judge King, in passing sentence, had much to say about British prestige in these parts, which, in view of the circumstances back of the downfall of these two young Englishmen, was rather out of place. To quote Judge King's statement in the Runie case, "I remember that you are one of the Defence Force sent here by the British Government to protect its nationals and be representative of the British people in the eyes of foreigners. By your conduct you have disgraced that Force and the Empire of which that force and the Services are so justly proud. It seems deplorable that a man like you should be able to do that—to disgrace your comrades in arms and the country to which you belong. I regret I cannot be lenient with you. I cannot pass a lesser sentence than that you be imprisoned for one year, with hard labor." While there was no question of the guilt of these young English boys, and the Judge undoubtedly felt that he had to set an example in order to prevent similar occurrence, we think he might have left out the remarks about the "disgracing of the Force and the Empire," because the circumstances back of these two cases constitute a far greater disgrace to the prestige of the British Empire than anything that these two British boys were guilty of. To be specific, and to quote the words of the British attorney, Mr. Maitland, these boys were victims of the "snares for the unwary" which are located within the foreign settlements —otherwise, low-class bars and dives, greyhound racing and gambling establishments, etc., etc.,— which are maintained and operated openly here under the protection afforded by the British and other defense forces sent to China for the purpose of protecting the foreign nationals and their interests. These things constitute the blot on the prestige of the Empire. The young British soldiers were mere victims of these "snares for the unwary." Their crime was infinitesimal in comparison to the crimes of those who set the said "snares for the unwary."

Two New Custom Houses in North China

Two new Chinese Maritime Customs houses are shortly to be established, one at Weihaiwei and the other at Hulutao. Inspector General F. W. Maze left Shanghai a few days ago for the north on a National gunboat; he will pay a visit to both places before his return, so as to make the necessary arrangements for the opening of the two new Customs offices. Mr. Maze is also visiting Dairen where he is conferring with Dairen officials on the government plans to change the system used in that port for the collection of customs revenues to conform with the system used in Shanghai and other leading ports of the country. On his way back to Shanghai, Mr. Maze will stop at Weihaiwei to conduct a survey in accordance with the government's plan to establish a customs office in that port on its rendition to the Chinese, October 1.

Siam and Indo-China Deport Chinese

The Ministry of Foreign Affairs at Nanking is in receipt of a report from Swatow stating that for the month of June some 200 Chinese were deported by the Siamese authorities. For the first part of June alone 250 Chinese were ordered to leave French Indo-China. Deportations were made ostensibly because of unemployment. The Quarantine Station at Whampao, near Canton, reports that the number of Chinese forced to return from foreign countries is increasing every month. From January to June last, on 1,536 vessels entering the port 48,948 Chinese were brought back to their homeland.

Yen Heads Northern "Government" But Mukden Refuses Cooperation!

A report by the Japanese *Rengo* service on the afternoon of Thursday, September 11 from Peiping stated that Gen. Yen Hsi-shan, following receipt of an urgent telegram from his representatives in Mukden, had suddenly departed for Tehchow on the Tientsin-Pukow railway to the north of Tsinan, the reason for his sudden departure not being given.

The *Shun Pao* on Thursday, September 11, in a dispatch from Nanking claimed that the fighting in northern Honan had assumed "serious proportions;" that Kaifeng was practically surrounded by the Government troops; that Feng's troops are being forced back toward Tungkwan on the Honan-Shensi border. Also it was stated that part of Feng's troops had begun to retreat northward into Hopei (Chihli) province.

GEN. Yen Hsi-shan, Northern militarist and leader of the present rebel coalition against the Central Government has accepted the chairmanship of the so-called "Nationalist Government of China" which has been formed in Peiping. Gen. Yen took this important, and what may shortly become, fateful, step at 8 o'clock in the morning of Tuesday, September 9. Before proceeeding to Peiping to accept the headship of the Northern opposition Government, Gen. Yen was reported to have made a hurried trip to some point on the Peiping-Hankow railway in northern Honan where he held a conference with Marshal Feng Yu-hsiang, leader of the rebel Kuominchun forces. Reports from Peiping by the foreign news services stated that an "elaborate" ceremony, was staged "second only in grandeur to that held when the late Marshal Chang Tso-ling was inaugurated two years ago." A general holiday was proclaimed in all territories controlled by the Northern Rebel Coalition, according to the Japanese *Rengo* reports, and as for the ceremony of inauguration, "it was attended by about 700 persons, including prominent foreign residents of the former capital." Nothing was said in the reports regarding the attendance of foreign diplomats at Yen's inauguration, but it was stated that immediately following the ceremony inaugurating the new "government" that various public organs throughout the country were notified. However, the new administration for some reason did not issue any public proclamations or manifestoes. Of considerable importance was a statement that the monthly expenditures had been fixed at $7,000,000, a month.

Gen. Yen, immediately following his inauguration, issued interviews to the foreign and Chinese newspapermen. In a statement circulated by *Rengo* he declared his conviction that Gen. Chiang Kai-shek will lose his political power by October and that Feng Yu-hsiang will assume full responsibility for all military affairs; that the new government in the North will "pursue a most impartial attitude in domestic politics and a uniformly friendly policy in the foreign diplomatic field." Yen also stated that while he intended to spend most of his time from now on in the Northern capital (name changed back to *Peking*), that it might be necessary for him to take occasional trips to the fighting front. In regard to the personnel of the new administration, Yen declared that he had received a telegram from Tong Shao-yi, veteran Kuomintang member, now head of the so-called Chungshan Model District at Canton, which stated Tong's willingness to accept membership in the new regime. Members of the National Government, however ridiculed this report and pointed to telegrams from various officials in Manchuria, including Marshal Chang Hsueh-liang, Dr. V. K. Wellington Koo, Admiral Shen Hung-lieh and others definitely denying the reports that they had joined the new Peiping regime.

The Japanese *Rengo* service also sent out a report giving a purported summary of the regulations which were adopted by the so-called "Enlarged Kuomintang Congress" in Peiping governing the drafting of a provisional constitution.

1. The Committeee is to define the measures securing the public and private rights of citizens.
2. The Committee is to define the scope of Authority of the Central Government.
3. The Committee is to define the scope of authority of various Provincial Governments.
4. The Committee is to define the authority of the prefectural district autonomous bodies.
5. The Committee shall be composed of seven members to be mutually elected among members of the Central Party Committee and shall also be participated in by eminent specialist in various technical matters.
6. The Committee shall have a Chief Secretary, two secretaries, two directors and four officials.
7. The Committee is to elect a Chairman of the Committee from among the members.
8. The Committee is to draft the Provisional Constitution within one month from the date of its organization.
9. The Committee shall submit the draft Provisional Constitution to the Central Party Headquarters as soon as the drafting is completed.
10. The regulations herewith mentioned are to come into force from the date of their proclamation.

With, the formation of an opposition regime in Peiping, attention naturally turns again to Mukden where an important military conference is in session to determine the attitude of the Manchurian admmistration. While the results of the Mukden conference have not yet been announced, a report in the *Shun Pao* (Shanghai) on September 9 from Nanking, claimed that Marshal Chang Hsueh-liang had already sent a telegram to Gen. Yen Hsi-shan refusing to participate in the new Peiping administration. The report stated that Gen. Chang Tso-hsiang, head of the Kirin provincial government and leader of the so-called "old Faction" in the Manchurian administration, had concurred in the decision not to participate, but that a definite statement of Mukden's attitude would not be made until the arrival of other members of the Mukden Council, including Gen. Wan Fu-lin, head of the Heilungkiang provincial government; Tang Yu-lien, head of the Jehol provincial government and Chang King-wei, commander of the Harbin district. It was stated that this conference might attempt to suggest a peaceful settlement of the situation south of the Great Wall. Also it was claimed that Marshal Chang had telegraphed to Dr. V. K. Wellington Koo and Dr. Lo Wen-kan, who were in Peiping, asking them to return to Mukden immediately. A further report in the *Shun Pao* from Mukden, also on Sept. 9 stated that Gen. Yen Hsi-shan had offered the Mukden administration onehalf of the cabinet officers in the new Peiping government and had threatened that in the event Mukden refused to cooperate that Yen would withdraw his troops to Shansi province and turn over Hopei (Chihli) province to Feng Yu-hsiang. Since Feng has always been considered

an enemy of the Mukden faction, this threat of Yen's was looked upon in Mukden as an ultimatum, hence it was decided to call an extraordinary conference of the Mukden Council to decide upon the matter. In the meantime Marshal Chang Hsueh-liang, Dr. Wellington Koo, Dr. Lo Wen-kan (former Minister of Justice in the old Peiping Government) and Admiral Shen Hung-lien (commander of the Northeastern section of the Chinese fleet) have all issued denials of their reported participation in Gen. Yen's new government.

While the large Chinese newspapers in Shanghai have generally been editorially silent on the formation of an opposition government in Peiping, the *Kuo Min Jih Pao*, a radical Leftist or "mosquito" newspaper in Shanghai on September 9 published a long editorial about Yen's Peiping Government, declaring that Yen's mission was to "lay the foundation for democratic influence in China." Continuing, the editorial declared that Peiping stood for democracy while Nanking stood for autocracy. Elaborating on the so-called "vices" of Nanking it was declared that "all of the abuses in China's feudalistic system for 4,000 years are concentrated at Nanking." Concluding, the editorial declared that Wang Ching-wei, Kuomintang Leftist in Peiping represented all the virtues and idealism in Chinese politics and that the government which Wang and Yen had created was "strictly legal."

ANTI-FENG DRIVE SHIFTED TO PINGHAN SECTOR

The most significant development in the military situation in Honan province, was a report in the *Shun-Pao* on September 9 stating that Gen. Chiang Kai-shek had shifted his field base from Liuho on the Lung-Hai railway to the town of Loho, lacated near Hsucheng on the Peiping-Hankow (Pinghan) railway. In connection with this report was a statement indicating that while Gen. Chiang was continuing pressure against Feng's Kuominchun rebel troops on both the Lung-Hai and Peiping-Hankow lines, that he was also sending another army across country toward the northwest with the object of launching an attack directly on Loyang (Honanfu). located a considerable distance to the west of Chengchow (at junction of Lung-Hai and Pinghan lines) on the Lung-Hai. Gen. Chiang's object in this move is to menace Feng's line of communication with his rear and force his withdrawal either directly west to Shensi or across the Yellow river to the North in the direction of Peiping. If Gen. Chiang is successful in this strategy. it will force Feng's withdrawal from his fortified bases in the vicinity of Lanfeng and Kaifeng on the Lung-Hai line to the east of Chengchow. In the meantime Gen. Chiang's other armies are keeping up the pressure on Kaifeng and at the same time are clearing the Kuominchun troops out of the extensive triangular area between the Pinghan and Lung-Hai lines. There was one report claiming that Gen. Chiang's troops had occupied the town of Sincheng, which is only about five stations south of Feng's base at Chengchow.

That the Northern rebels sense the seriousness of the situation on the Honan front was indicated in a *Rengo* report on Sept. 9 which quoted Feng as stating that he had transferred 12 divisions of his troops to Chengchow, Kaifeng and Hsuchang in order to strengthen Feng's positions.

THE ANTI-RED WARFARE

With Changsha relieved, temporarily at least, from the danger of recapture by the Chinese communist "armies" attention has turned to the situation on the Upper Yangtsze where another communist "army" has been attempting to occupy Shasi, important city on the Yangtsze in Hnpeh province about midway between Hankow and Ichang. And in addition to the communists there has been a further menace due to the presence of 5,000 Szechuenese troops formerly under Gen. Lai Sin-hui. It seems that Gen. Lai was moving his troops down river, but when he reached Ichang he was taken prisoner by Gen. Kuo Hsiang. This occurred on August 26 upon the orders of Gen. Liu Hsiang, commander of the 20th Army and leading militarist of Szechuen. According to the report, Gen. Lai had volunteered to move his troops down river to assist the National Government against the Northern rebels, his object being to move into western Hupeh. But Gen. Liu Hsiang believed that Gen. Lai Sin-hui, in cooperation with still another Szechuen militarist Hsiang Keh-wu, were in alliance against him (Gen. Liu Hsiang) hence he ordered his arrest. Since Gen. Lai had only moved about one-fourth of his troops down river, his arrest and detention at Ichang gave Gen. Liu Hsiang an opportunity to disarm the remainder of his troops which were still in Szechuen. The presence of some 5,000 of Gen. Lai's troops in the vicinity of Ichang has caused considerable anxiety owing to the fear that they might attempt to take Ichang and then move down river to Shasi, which city was already being menaced by the communist forces.

On Monday, September 8, the communists on the banks of the Yangtsze about 80 miles west of Yochow fired on the American Yangtsze patrol boat, *Tutuilla*, using trench mortars. The *Tutuilla* returned the fire, silencing the communist batteries. The most important engagement, however, was between the communists at Shasi and the British gunboat *Lady Bird*, which was also fired upon. The *Lady Bird* returned the communist fire, using heavy guns. A half-dozen 6-inch shells were fired point-blank into the communist positions, allegedly causing heavy casualties and resulting in the complete withdrawal of the red gangs into the back country. It was claimed that the action of the British gunboat *Lady Bird* directly saved Shasi from occupation by the communist forces, the effect being quite similar to that of the American gunboat *Palos* a month earlier, which had dispersed the communists in occupation of Changsha, the American gunboat retaliating to communist gunfire which had wounded six American sailors. In addition to the engagements of the American *Tutuilla* and the British *Lady Bird*, the Japanese gunboat *Fushimi* had a somewhat similar experience with another communist gang between Hankow and Kiukiang on September 3. This communist force fired on the *Fushimi*,, using a trench-mortar, one shell striking in the vicinity of the engine-room. Owing to its primitive make little damage was done, but the *Fushimi's* batteries retaliated and drove the red troops from the river bank.

The *Kuo-min* (official) new service, in a report from Hankow on Sept. 8 claimed that all cause for anxiety had been removed from the Changsha district through the decisive defeat of the red troops by Gen. Ho Chien's troops. It was claimed that the communist-bandit forces had been defeated to the south of Changsha and that the reds had fled in the direction of the Hunan-Kiangsi border. Gen. Ho had wired to Hankow asking for further reinforcements to be sent from Kiangsi in order to clean out communists' positions in the border districts. A further *Kuo Wen* report from Hankow on Sept. 9 stated that the red forces under Chu Teh (reported seriously wounded) had retreated to Yikiawan, while the forces under Pang Teh-huai were making for Liuyang. Government troops under Generals Kung Ping-fan and Lo Lin were stated to have occupied the towns of Yanglinlu and Changkungling, to the west of Liuyang. Another Government force operating from Nanchang (capital of Kiangsi) had arrived at Pinghsiang and was proceeding across the Hunan-Kiangsi border in pursuit of the red troops in eastern Hunan. It was claimed that Nanchang is well garrisoned and that most of the province is now peaceful with Gen. Teng Ying in command of the Kian district, previously the center of red activities. The Government also had sent further gunboats to the Upper Yangtsze area. The Chinese newspapers published an interesting report regarding an attempt of the communists to break through the barbed-wire barricades about Changsha. They rounded up about a thousand water-buffaloes (carabao) and after night-fall attached fire-crackers and torches to their tails. They then directed the crazed beasts toward the Changsha barricades, but the Government troops were on the alert and dispersed the herd with artillery and machine-guns.

Forceful Eviction of Civilians from Nanning

Forty-two thousand Chinese men, women and children, were forcibly evicted from the city of Nanning, capital of Kwangsi province on Friday and Saturday, September 5

and 6, according to a report reaching Hongkong on September 8. The action was taken by some 3,000 rebel Kwangsi soldiers who are defending the city against an extended siege by Cantonese and Yunnanese troops which has lasted for several weeks. The eviction of 42,000 out of a total population of 60,000 was decided upon by the Kwangsi rebel forces as a means of conserving the limited food supplies. The orders which the Kwangsi commanders issued only gave the population forty-eight hours to get out, the orders stating that no one would be permitted to remain within the city who did not have a minimum of two-months' food supplies.

All foreigners, including missionaries, who are still within Nanning, are also making plans to evacuate.

The Kwangsi rebel troops which are defending Nanning, have put up a stubborn resistence despite an attack by much larger numbers of Government troops and in addition a constant bombardment of their positions by Government airplanes from Canton. It is reported that in addition to a large number of rebel Kwangsi troops which have been killed by the bombers, that more than 200 civilians have also been killed. All hospitals within the city are crowded with wounded.

More than 200 of the wealthier members of the community who had taken refuge within the compound of the Standard Oil Company of New York, were looted by the Kwangsi troops and armed gangs. The women were stripped of their jewelry and brutally handled.

The *Nation* on Chinese Reds

Of interest in connection with the communist situation south of the Yangtsze, was the following editorial in the *Nation* (New York) which appeared in the August 13 issue.

"Communists or bandits—what are these roving armies of South China? The Third International openly claims them as its own; but it is doubtful whether the ragged soldiers have any inkling of the gospel of Nicolai Lenin. They practice, undoubtedly, the primitive communism which led Robin Hood to despoil the rich and share with the poor, but with about as much awareness of Marxism as he. For a decade the region where these hordes abound has been ravaged by successive armies. When the generals had money they forcibly conscripted the able-bodied farm boys; when they had none the boys were dropped, far from home, and left to get on as best they could. Inevitably, they took to living off the country. Inevitably, too, they drifted to the standards of any capable pirate able to organize efficient looting expeditions. When in hiding, these good folk find it useful to profess sympathy with the peasants and to lose themselves in the fields. Hence, for the most part, the legend of peasant Communist armies. But there is no industrial proletariat in these backward regions, and the village gentry do not possess the visible and seizable wealth which made the Bolshevist program of land seizure so attractive to the Russian peasantry. The economic roots of communism in China are weak; and they are strongest in the great coast cities which are defended by foreign gunboats. There, some day, the decisive battles of China's revolution will be fought. They may come sooner than most foreigners expect, for if anything can fuse China's millions into one effective arm, it is dislike of foreign domination, That is why it is particularly sinister news that an American gunboat at Changsha, eight hundred miles from the sea, was fired upon and fired in return, killing fifty Chinese."

Proposal to Increase Shanghai Water Rates Draws Protest

The Chinese community of Shanghai is evincing decided opposition to a proposed increase in the rates for water recently announced by the Shanghai Waterworks. At a special meeting of the Chinese Ratepayers' Association of the International Settlement held during the week a committee of seven persons was appointed to study the water supply situation and the proposed increase. The members of the committee are: Messrs Wong Shao-lai, Lai pah-yen. Zia Zoong-fon, Kiang Yin-bing, Zee Chi-yng, Tsou Wai-sung and Pan Chi-lung. The committee plans to hold a conference at the offices of the association next week. It may be mentioned that the ordinary rate for water for household use is four per cent of rental, and owing to the continued increase in rentals the price for water has been automatically increasing right along—and the Chinese community, and most foreigners as well, are up in arms against any proposal to increase the rates still further.

On a Settlement Tramcar

To the Editor, *The China Weekly Review*:—

Much has been said, especially in the correspondence columns of the *North China Daily News* about the crowded busses. Nothing was mentioned anywhere about the Settlement Tramcar. May be the reason is that this particular means of transportation is of less concern to the majority of foreigners in town. However, the intolerable situation calls for urgent change. Here, I am not going to point out the crowded conditions on the tramcars, which may be summarized as "worse than that of the busses". The thing which interests me so much is the mismanagement of the Company with the result of degrading the conductors. With their experience, which is practically unchecked by the responsible authorities, they have developed a system of squeeze, which has proved a great menace to the general public.

A man comes up to the tram at Tuk Teh Terrace, pays nine coppers to the conductor for the distance of a few blocks to the Post office at North Soochow Road. The conductor gives him a 6-copper ticket after the tram passes Range Road. This delay gives to the conductor a squeeze of three coppers. Not only this, when the man goes down at the Post Office, the conductor kindly asks back the ticket. He passes it on to another passenger who may come up on the tram at Boone Road. The 6-copper-ticket is valid, may be till the Bund. The inspector can never find it out at the section between the Post Office and the Bund because the ticket is punched for this section. Inspectors at Boone Road can never find it out, so long as the inspectors are as dumb as they are now. Usually they take no trouble to look into the place where the hole was punched by the conductors. Sometimes, they come up to a tram, sign and go down.

At times when there is no inspector along the street, the conductors simply give the passengers no tickets. It seems very difficult for one to demand the ticket since it is so widely practiced and in case one insists on it, the conductors may call you names, which of course means nothing to the conductors, but may mean a great deal to the passengers, especially those belonging to the fair sex. Once, a case came to my knowledge of the persistence of a girl demanding a ticket and the right one. The conductor gave her the right ticket, but as soon as she started to step down the tram, a signal was given by the conductor to the driver to start the tram. The sudden start of the tram gave the girl no time to reach the ground. The result was serious injury of the girl.

After much persistent investigation it has come to my knowledge how the conductors are able to tell whether there is any inspector on the street or not. Certainly we expect a close cooperation between the motorman and the conductors. When two cars pass each other, the motormen of each car will give signals as to the condition of the street ahead of them. The ting, ting, ting, ting, ting, of the bell means inspectors ahead and ting.....ting.....ting.....ting, means "safe". Of course, some times they just speak out to each other whether there is any "devil", as they call the inspectors, ahead or not.

The case is not so simple when there are inexperienced conductors who have not mastered all these techniques so as to prevent complications. One time, a man paid the conductor the necessary amount of coppers but received no ticket. Suddenly, an inspector found his way to the tram. Naturally, the man told the truth about the paying of the coppers to the conductor right after he stepped on the tram. The conductor was summoned by the inspector; however, he denied it absolutely. The unlucky passenger has to pay the carfare again because he had not demanded the ticket and the "right one" immediately on paying his fare—according to the regulations posted on these trams, to which probably no one has paid any attention.

These conditions can not remain unchecked. However, one can not blame the conductors only. An inquiry one time elicited the fact that the conductors work an eight hour day with a wage of 15 to 30 dollars a month. More than that, a conductor told me, that in the French Concession and even in the Chinese city, the conductors receive sums of bonus at the end of every year. "We receive nothing extra except this little wage. What else will we do in order to make a living? Well, this is a little squeeze of "foreign money". He justified his action by saying that it is 'foreign money'." The authorities of the Settlement Tramways Company certainly ought to look into the matter not only for the business of the

Company, but also for the convenience of the public and so as to improve the morality of the conductors.

The public can not ignore their responsibility to check this undesirable practice. It was said that the origin of this squeeze came about in 1925 when the anti-British movement was at its climax. Because of "foreign money", or more specific, "Chinese money to be shipped to Britain" the general public encouraged these conductors to practice squeeze widely. The situation is different at present. It is unwise to employ a bad means to achieve any good goal. May the public, as well as all the other parties concerned, put a stop to this tramcar squeeze!

F. F. A.

Attitude of Marshal Chang Hsueh-liang

BY EDWARD HUNTER

FULL and explicit details now are obtainable in Peiping concerning the position of Marshal Chang Hsueh-liang in the civil warfare now going on in China Proper. A summary of his stand, as definitely revealed by absolutely unimpeachable sources, including legation diplomats and people who are close to the "Young Marshal," is that he has come to a military agreement with Nanking by which he will take over Chihli Province, he has an understanding with the Northern Coalition by which he will send his troops into Hopei Province so as to relieve Marshal Yen Hsi-shan and permit him to send extra forces to the war front, and he is determined under no circumstances to make any move which could be construed as a violation of his neutrality, or to follow his father's footsteps into the province where he spent a billion silver dollars and then lost his life before the accounting was settled.

It should be clearly understood that the above summary is based upon the most conclusive evidence and not upon mere hear-say. Only the word of those absolutely "in the know" has been listened to, and then not believed until confirmation was obtainable from other equally trustworthy quarters. Therefore there can be no doubt but that the above is the correct analysis.

In fact, there is not a logical detail lacking so far as the position of Marshal Chang is concerned. He had not determined just what he was going to do until he went to the vacation resort of Peitaiho, not so far from Peiping. There, newspaper readers will recall, the mighty battleship *Kent* lay at anchor flying the British flag, and there Sir Miles Lampson, British minister to China, hastily repaired for a conference with the "Young Marshal" aboard this man of war.

Sir Miles advised the Mukden chieftain that although Nanking might not be all he desired, it was better than no government at all and as a result of this persuasion, the "Young Marshal" went to Mukden to summon a military conference after first making an agreement with Nanking.

A poker game followed the conference aboard the *Kent*, and while on the ship, nothing more important was discussed than the state of the weather. In fact, Sir Miles was only with the "Young Marshal" on the war vessel for half an hour.

The North Is Doomed

The agreement with Nanking spells the doom of the Northern Coalition. It has been revealed that the "Young Marshal" made the compact with the idea of really helping Marshals Feng Yu-hsiang and Yen Hsi-shang. The agreement was reached just when General Chiang Kai-shek was sending his victorious hordes into Tsinan, and was about to cross the Yellow River and easily could have captured Tientsin and Peiping. This, however, would have been very unsatisfactory to the Fengtien faction, which did not wish actually to come into the fight, but at the same time desired to stem the advance. This was achieved through diplomatic strategy. Upon Marshal Chang reaching an agreement with General Chiang, it would have been evidence of bad faith for the latter to continue on to Tientsin, where the "Young Marshal" could so easily take care of things. That was the secret behind the agreement.

Marshal Chang Hsueh-liang sees nothing hopeful in either Marshals Yen or Feng, and as the Nanking government at least has made a start, he is anxious for the latter to win and will step in at the stragetic moment to inflict the coups de grace.

The revelation that some of Nanking's emissaries were tampering with his troops caused the "Young Marshal" intense indignation, and if anything else was needed definitely to make him side with the North, this was the decisive event. What happened was that when General Chiang captured Tsinan, his spies at Peitaiho saw it as an excellent opportunity to start some of the Fengtien soldiers attacking Marshal Yen from the rear. This would have dealt a body blow to Shansi's armies, and would have forced Marshal Chang to enter the fray on the side of Nanking whether he wished to or not.

But the discovery of the coup in the nick of time frustrated the plot.

The clever manner in which Marshal Chang is steering a middle course, adhering strictly to neutrality, has won the praise and admiration of most onlookers. The truth of the matter is that Marshal Chang distrusts the Kuomintang, fearing that it would like to wrest supremacy from him in the Eastern Provinces, but also fears an alliance between Marshal Feng Yu-hsiang and Soviet Russia, which would permit the communist menace to obtain a foothold. Therefore he is not pleased with either side, and would prefer to see the civil war remain a deadlock, for then his own position would be safe-guarded by his holding the balance of power as a weapon over all heads.

The Japanese Government, as well, is exerting all its influence to keep him from intervening in the civil warfare. The Nipponese have had enough of Manchuria handicapped economically due to the incubus of China Proper, and consider that the problem of handling the Russian negotiations over the Chinese Eastern Railway is enough of a burden for Manchuria without challenging the danger of internal warfare in Manchuria.

In fact, Marshal Chang Hsueh-liang could not intervene if he wanted to, because whichever side he went on, a split would be inevitable in his own ranks. All the younger element in Manchuria are to a man for Nanking, whereas the older leaders, those who wield great power due to their connections with the "Young Marshal's" father, are for the North. A decision one way or the other therefore would be to invite ruin in his own camp, and another civil war would not help in solving the one already in progress.

The "Young Marshal's" interest in Peiping primarily concerns the Peiping-Mukden Railway, the most efficient and most profitable line in all China. If anyone unfriendly to Fengtien controlled Peiping, it would be a serious blow to Mukden because that is the beginning of the railway. Therefore what Manchuria is planning is complete control of Peiping.

"Young Marshal" Bides His Time

In fact, the "Young Marshal" is biding his time until both sides are so weakened that he will be able to take over control of North China for himself exactly as he took over Tsingtao. He is anxious to obtain charge of all of Shantung Province, and wants Weihaiwei to be given to him when the British finally return it to China.

Really, what the "Young Marshal" wants or does not want is of no consequence, because he is only a puppet in Manchuria, with the strings held in the hands of other militarists such as General Chang Tso-hsiang, who is only biding his time for a coup.

But nobody can doubt the bravery and determination of Marshal Chang. When he wants to do something he always does it, and has inherited his father' impulsive and dictatorial character. Although only 30 years of age, what he says goes in that vast territory of Manchuria.

In conclusion, the writer of this article wishes to stress the unquestionable accuracy of the facts pointed out. They all come from the highest sources, not among Chinese, but among foreigners whose many years in this country and close connections with the "powers that be" make their words gospel.

This, therefore, should clarify the issue, for it is a truthful portrayal of how Peiping regards the attitude of Marshal Chang Hsueh-liang!

Peiping, September 10, 1930.

Northerners Threaten to Withhold $350,000 a Month from Customs Revenue

Giving as the reason that the Nanking Government has not remitted to Peiping the money necessary for education, earmarked for that purpose from the Russian Boxer Indemnity and amounting to $350,000 a month, it is understood that the Northern Coalition has informed Nanking that, unless an arrangement is reached at once, that sum would be deducted from that part of the Tientsin Customs revenue which is at present being remitted to Shanghai for the service of foreign loans.

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Latest Developments in Sino-Soviet Diplomatic Relations

BY K. S. WEIGH, PH. D.

(Russian policy toward China takes two forms, old-fashioned diplomatic dealings and armed aggression on the North Manchurian frontier chiefly centered about the Chinese Eastern Railway,—and domestic intrigue in China's internal affairs, chiefly centered about Soviet support to Chinese communist "armies" which operate in the interior south of the Yangtsze river. In last week's issue of The Review (September 6) there appeared an article dealing with that phase of Red Russian policy which deals with intrigue with China's communist armies. This article, by Dr. Weigh, deals with the other phase of Red Russian policy, otherwise aggression on the North Manchurian border. This article is the last of a series by Mr. Weigh which appeared originally in a Chinese-English language magazine in Shanghai.—The Chinese Nation.)

IT has been noted that following the action at Harbin and the dismissal of the Soviet Russian employees of the Chinese Eastern Railway by the Manchurian authorities, efforts which were being made by Mukden to settle the dispute at Manchuli and by Nanking through the good offices of the German Government at Berlin, had ended in failure. There ensued a deadlock of many weeks and in the meantime, the political situation in China reached a crisis, severe fighting between the Central Government and the Kuominchun having broken out in Honan. With its own hands tied, Nanking could not but advise the Mukden authorities to proceed to a settlement of the trouble through direct negotiations, if such were possible. Upon receipt of this authorization from Nanking, Mukden caused Mr. W. H. Donald, a prominent Australian resident there, to sound the British Government if the latter would act as mediator. Downing Street replied to the effect that much as the British Government desired to mediate it was not in a position to do so, diplomatic relations not having been resumed between London and Moscow. Mr. Donald then sent a personal telegram to Mr. Karakhan urging a peaceful settlement and informing Karakhan that if Russia sincerely desired a peaceful settlement, he (Donald) believed that such could be arranged with the Mukden authorities. Mr. Karakhan replied that he did not consider that any intermediary action was likely to be productive of results since the Soviet Government remained unaltered. Any negotiations between the U.S.S.R. and Mukden could only be undertaken after a full acceptance and fulfillment on the part of the Chinese authorities of the "elementary preliminary demands" of the Soviet Government which were communicated to the German Government on August 29, last, for transmission to China, both Mukden and Nanking. As will be recalled, taking advantage of the internal political crisis in China, Red troops launched at this time their military drives at Manchuli and Chalainor on the western border and also at Mishan on the eastern border. Undoubtedly Moscow did not want peace then and was adopting a "wait and see" policy, hoping that the civil war in China south of the Great Wall would result in the overthrow of the National Government which had been the chief objective of the U.S.S.R. since the expatriation of Soviet agents from South China in 1927.

The Effect of America's Protest

The impasse remained unbroken until the latter part of November, when Soviet Russia was forced to discuss terms as a result of the appeals made by public and private organizations to President Hoover and the public opinion of the world for the appointment of an international commission to investigate the situation on the Sino-Siberian boundary in order to determine the accuracy of conflicting Sino-Soviet statements pertaining to the alleged violations of the Kellog Anti-War Treaty. Obviously, Soviet Russia did not want to have such an investigation as Red troops were in occupation of more than 100 miles of Chinese territory and Soviet airplanes were bombing Chinese villages and towns 200 miles inside the Chinese frontier. As has been observed, these unofficial moves caused the United States Government to associate with the Powers to intervene, which, despite Moscow's claims to the contrary and plus Moscow's fear of the appointment of an international commission, finally forced the Russians to cease their military activities and consent at least to the signing of a preliminary agreement.

The Manchurian authorities were tired of the "war" and were willing to accept an honourable settlement. Nanking thought it worth while to make a temporary peace in order to obtain a breathing space that might permit her to concentrate her attention to quashing the oppositionists. On December 3, one day following the despatch of the American-British identic notes, a protocol was signed at Nikolsk-Ussurissk by Messrs. Tsai Yu-shan and Simanovsky on behalf of Mukden and Moscow respectively. Mr. Tsai declared that the Chairman of the Board of Directors of the Chinese Eastern Railway would be dismissed from the post of Chairman of the Board, while Mr. Simanovsky, on behalf of the U.S.S.R., declared that when the Chairman of the Board of Directors of Chinese Eastern Railway was dismissed from the post, the Soviet Government, in accordance with the declaration of the Acting Commissar of Foreign Affairs, Mr. Litvinov, handed to the German Ambassador at Moscow on August 29, would be ready to recommend new candidates for the post of manager and assistant managers of the Chinese Eastern Railway instead of Messrs. Emshanov and Eismont. But in this case the Soviet Government would reserve the right to appoint Messrs. Emshanov and Eismont to other posts on the Chinese Eastern Railway. To this Mr. Tsai in personal conversation with Mr. Simanovsky was said to have expressed his consent.

Mr. Tsai also declared that Mukden, desiring by all means to contribute toward the settlement of the conflict between China and the U.S.S.R. and to remove all the causes for further complications, would strictly conform with the Mukden and Peking agreements of 1924, in whole as well as in part. Mr. Simanovsky accepted "with satisfaction" this declaration on the part of Mr. Tsai and also stated that on behalf of the Soviet Government which he said had always stood on the basis of the agreement existing between China and the U.S.S.R., the Soviet Government would, of course, strictly fulfill them in whole as well as in part.

This declaration paved the way for the convening of a more formal conference which was held at Harbarovsk. After a short negotiation a preliminary agreement for the settlement of the Chinese Eastern Railway controversy was reached on December 22. China was represented by Mr. Tsai Yu-Shan and Moscow by Mr. Simanovsky. So far the Chinese Government has not yet made public an authoritative version of the agreement, but the Soviet Government has published a text allegedly giving the complete terms of the Sino-Russian agreement for the settlement of the controversy. With the exception of a few extraordinary statements, there is reason to believe that the principal terms were agreed upon by both sides.

According to the Harbarovsk agreement, both of the contracting parties agreed to the restoration of the situation existing on the Chinese Eastern Railway prior to the Soviet-Chinese conflict and based on the Peking and Mukden agreements and that all outstanding questions which arose during the period of Joint Soviet-Chinese management of the railroad were to be solved at the forthcoming Soviet-Chinese conference. Accordingly, the following measures were to be immediately carried out: (a) restoration of the active management of the Chinese Eastern Railway and resumption by the Soviet members of the management of their duties, henceforth the Chinese Chairman and the Soviet vice-Chairman of the management to act jointly in comformity with the provision relating thereto in the Soviet-Mukden Agreement; (b) restoration of the former proportion of offices held by Soviet and Chinese citizens and reinstatement of Soviet citizens to their former offices; (c) orders and instructions on the railroad issued since July 10, 1929 to be reconsidered by the local management of the railroad.

Release of "Hostages"

The reciprocal release of citizens arrested in connection with the conflict, including the Soviet citizens arrested during the raid of the consulate at Harbin and the interned Chinese soldiers and officers, were all to be immediately released without subdivision into any categories. It was also provided that all the Soviet workers and employees of the Railway who were discharged or who had resigned since July 10 must be given opportunity to return and be compensated for what was owing them from the line. All former Russian citizens who were not citizens of the U.S.S.R. and employed by the Railway during the conflict must be summarily and immediately discharged. The Chinese authorities were also to disarm immediately the Russian White Guard detachments and

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deport from the Three Eastern Provinces their organizations and inspirers.

The question of the resumption of full diplomatic and consular relations between the two states was left for the consideration of the Sino-Soviet Conference hereafter to be provided for, but both parties considered it possible and necessary to restore Soviet Consulates in the territory of the Three Eastern Provinces and Chinese Consulates at their respective points in the Soviet Far East, in which case the respective governments were to accord the consulates of the other "full inviolability and all privileges to which international law and custom entitle them and will, of course, refrain from any actions violating this inviolability and these privileges." With the restoration of the Consulates, an opportunity should be given immediately by the respective states for the resumption of normal activity of all business organizations in the territory of the other. The question of commercial relations between the two countries as a whole was to be settled at the Soviet Chinese Conference. The peaceful situation along the frontiers of China and the U.S.S.R. were to be immediately restored with subsequent withdrawal of the troops of both sides. The question of real guarantees and the observance of the agreements and the interests of both sides as well as all other oustanding questions should be solved at the forth coming conference which was scheduled to take place on January 25 1930. The protocol was to become effective from the moment of its signature.

This agreement was extraordinary in what was included in and, omitted from, its provisions and a more one-sided agreement can hardly be found. China because of her desire to maintain peace had consented to everything. She had consented even to the inclusion of a passage as contained in the Soviet declaration of May 21 which reads: "Since the Chinese Authorities proved by all their actions their unwillingness and inability to reckon with the generally accepted principles of international law and customs, it (the Soviet Government), on its part, does not henceforth regard itself as bound by these principles in its relations with the Chinese representation in Moscow and the Chinese Consulates will no longer enjoy extraterritoriality to which international law entitles them." This was tantamount to saying that as a consequence of her action at Harbin in July China was a culprit and a law breaker and henceforth not to be considered and treated as a member of the Society of Nations.

As to omissions it was conspicuous that what from the Chinese point of view was the primary cause of the prolonged conflict, viz. Red propaganda, was given no mention whatsoever in the Harbarovsk agreement, neither was the question of losses sustained by the Chinese as a consequence of the Soviet military incursions in Manchuria given a place in its agenda for consideration.

Alhough the contents of the Harbarovsk Agreement have been made known to the public, yet we have reason to believe that there was something more than had actually been divulged to the press. Our apprehensions may be justified by the fact that the National Government had in view the issuance of a declaration to the effect that while China was willing to guarantee legal protection to Soviet Consulates she could not permit the Russians to station armed guards at the Consulates as the Harbarovsk Agreement apparently had in contemplation.

The Harbarovsk Agreement

Of further interest in connection with the foregoing may be mentioned that a certain Japanese newspaper at Dairen which had close contact with the Soviet intelligence service published a report in its issue of January 8, stating that the preliminary agreement signed at Harbarovsk contained the following agenda for the conference at Moscow scheduled for January 25: (1) Negotiation of a new commercial treaty; (2) Settling the question of right of residence; (3) Revival of respective embassies; (4) Demarcation of boundaries; (5) Indemnification of losses; (6) Questions pertaining to the independence of Outer Mongolia; (7) Details of the Chinese Eastern Railway (8) Right of the Soviet to resume navigation on the Sungari River, an inland Chinese water. In the light of the present deadlock between the Chinese delegation and the Soviet representatives at Moscow, the latter insisting on the settlement first of the other questions stipulated in the Harbarovsk Agreement than the Chinese Eastern Railway, we have reasons to infer, therefore, that the Harbarovsk Agreement of December 28 last contained more than has seen the light of day.

Nanking had cause to be exasperated to which it gave vent by dismissing from office Chow Lung-kwang, Director of the Asiatic Affairs Department of the Nanking Foreign Office, for his "inappropriate action while investigating the Chinese Eastern Railway question in Harbin last fall;" by recalling Chu Shao-yang, Chinese Minister to Finland, from his post for the part he took in the abortive Sino-Soviet negotiations at Manchuli last fall; and by ordering Tsai Yu-shan, Commissioner of Foreign Affairs at Harbin, punished for exceeding his instructions in discussing matters of general political affairs with the Soviet Russians at the time of the signing of the Harbarovsk Protocol of last December.

This action on the part of Nanking was of the gravest importance in that it virtually constituted non-ratification of the Harbarovsk Agreement. The position of the National Government was further made manifest in a declaration which reads in part as follows: "Tsai Yu-shan was authorized by the National Government to enter into preliminary negotiations with Mr. Simanovsky, the Soviet delegate, for the settlement of questions arising out of the Chinese Eastern Railway dispute, and for the discussion of the question of procedure for holding a formal conference to be held in the future.

"On December 28, 1929, there were signed at Harbarovsk between the Chinese and Soviet delegates certain minutes purporting to be a settlement of the dispute. The minutes, however, contain in addition to a *modus vivendi* relating to the questions arising out of the Railway dispute, certain other proposals of a general character concerning relations between the two countries, which the Chinese delegate was not authorized to discuss and which were outside the scope of his instructions. In so doing he has acted *ultra vires*.

"According to international usage an agreement concluded between the delegates of two countries is subject to the approval or ratification of their respective governments.

"In so far as the issues arising out of the Railway questions are concerned, the arrangement contained in the minutes has been carried out, and in pursuance thereof the persons detained on each side have been released, the new manager and assistant manager of the railway have been appointed and normal traffic of the railway has been resumed."

The National Government then declared that being desirous of arriving at a final settlement of the Railway question she was prepared to send a delegate to the formal conference to be held in Moscow for the exclusive purpose of effecting a readjustment of the Chinese Eastern Railway and that should the Soviet Government deem it necessary to negotiate with the National Government in respect of the questions of a general character relating to trade and commerce between the two countries as well as other questions, and, to that end appoint a delegate to China, the National Government of China would be prepared to enter into negotiations with the said delegate.

No Definite Results

Following the dismissal of Mr. Tsai, Mr. Mo Teh-hui was appointed President of the Railway and China's plenipotentiary to negotiate with Russia at Moscow. Before his departure for Europe, he was called to Nanking to receive personal instructions from the government with respect to the Conference. After the usual delays and postponements which seem to have characterized Sino-Soviet negotiations, the Conference scheduled for January 25, 1930, finally was convened in May. Up to the time of writing, after nearly two months of protracted "conversations" it is reported that Mr. Mo and Mr. Karakhan have not yet arrived at the stage of negotiations, the Soviet delegate insisting that the Conference should discuss all the questions on the agenda of the Harbarovsk Protocol and that China issue a declaration recognizing the validity and legality of this document, and the Chinese plenipotentiary insisting that the Conference should take up the question of the Chinese Eastern Railway to the exclusion of all others.

The story of this chapter of the Chinese Eastern Railway will not be complete without a mention of the events subsequent to the conclusion of the agreement of December 26 that the train brought the Soviet officials again to Harbin after an absence of nearly five months since their forced exit in the first part of July. Their triumphant entry truly bespoke of a conquerer's coming. It was reported that several thousand Soviet citizens carrying Red flags, shouting and cheering at the top of their voices, greeted the Soviet officials on their arrival at the

station. The crowd was so dense, one report says, that several persons were injured by the stampede and when the Chinese police attempted to restore order they were overpowered by a gang of Soviet citizens who took away their rifles and in violation of the Chinese martial law regulations paraded through the foreign section of Harbin singing the Third International and other revolutionary songs.

A new Soviet Manager in the person of Mr. Rudy and a new Vice-Manager in the person of Mr. Denissof soon assumed their positions in the Chinese Eastern Railway administration building. The new managers, one report says, were "conducting themselves in every way as though they were the victors in a prolonged war and are treating the Chinese as a defeated people." One of the first acts of the new managers was to discharge all the Chinese and non-Soviet Russians who had been employed by the Chinese management of the Railway following the break in relations between the Chinese and the Soviet last summer. Then came the orders for the immediate re-employment of all Soviet citizens who had been discharged by the Chinese as a consequence of the dispute and the immediate payment of their salaries for the period of their enforced idleness. The immediate "taking back" of all the properties of the Railway over which the Chinese had assumed control during the past three or four years was next ordered.

The Chinese Strike

As a protest against these arbitrary actions on the part of the new management all the Chinese employees on the Harbin work-shops went on strike which threatened to assume the proportions of a general strike on the part of the employees throughout the system. In view of this situation the Soviets issued an ultimatum on February 3 demanding that the Mukden Government immediately put into effect the preliminary agreement issued at Harbarovsk; that the Chinese immediately appoint delegates to the Moscow Conference; that the strike of the Chinese employees be immediately called off; that all opposition to the orders of the Soviet manager of the Railway be stopped. Mr. Melnikoff, the Soviet Cousul in Harbin then told the Chinese authorities that the Red troops still stationed in the vicinity of Manchuli would not be withdrawn until the Chinese had complied with the Soviet demands.

This is the story of the Chinese Eastern Railway dispute, the last chapter of which remains to be written. There is no gainsaying, however, that as a result of these months of "much ado about nothing" the Chinese position and policy in regard to the Railway has been generally weakened and that Russia has staged a "come back" and succeeded thereby in greatly strengthening its position, prestige and influence in Manchuria.

The author of this paper sympathizes with the Nanking Minister of Foreign Affairs when the latter in a personal conversation of a few weeks ago said that in all his relations with the Powers he had never had such troubles as he had with the Russians. Diplomacy is war in words. An army with an ununified command will fight a losing battle. A country divided against itself cannot hope to win diplomatic skirmish. If the Sino-Soviet railway embroglio had gained China nothing, it at least had given Chinese statemen a lesson and the Chinese people some food for thought in regard to China's foreign affairs.

International Road Congress in Washington Next Month

The sixth congress of the Permanent International Association of Road Congresses will be held in Washington next month. By August 5 a total of 55 governments had notified the United States Department of State that they would be represented, and word was expected from ten other countries that they also would send delegations.

Interest in this Road Congress is exceptionally keen in view of the increasing use of the automobile throughout the world. A recent survey shows that there are more than 35,000,000 motor cars in use. The Congress will discuss not only the different types of construction, such as Portland cement, concrete, bituminous concrete, and other types, but also will go exhaustively into the subject of financing, construction, and maintenance of highways, as well as the question of traffic movement, a question that grows in direct proportion to the number of automobiles in use.

Some Thoughts on Japan's "Buy at Home" Drive

(Japan Advertiser, Tokyo, August 21)

THE publicity and legitimate propaganda of the various organizations which have been and are now being formed to push the sale in Japan of Japanese-made goods leaves the public for which it is intended curiously cold and disinterested. The emotional appeal which weighs most heavily with the people of this country, that of patriotism, is being worked to an extreme degree, yet there is no great rallying to the cause. Neither money nor effort is being spared by the promoters of the movement and yet their seed is falling on barren ground.

The explanation for this is so simple that it seems impossible that it can be overlooked by the campaigners. They are striking at a result—not cause. Their efforts and energies are directed in a way that can never accomplish their wishes. The fault does not lie with the buying public; it is to be found in the nation's factories and workshops.

The campaign that is needed if Japan expects to promote the sale of home-produced goods must be one of increasing the worth of those goods themselves and so must be directed toward the manufacturers. Wails are heard on every hand that the average Japanese believes that the foreign article is superior to its companion made in his homeland, and so he purchases the one that is imported despite the fact that its initial cost price may be higher. Accepting this as a fact, the campaigners still refuse to solve the problem in the only way that it can possibly be solved—by removing this belief from the Japanese mind. There is but one way to do that, which is to remove the just cause for the belief.

The universal faith in the superiority of the imported article over that manufactured in this country is not a product of verbal and printed propaganda. It is based on universal experience. We published a number of years ago an article from the pen of Setsuo Uenoda which treated this situation from the personal angle. Since it is a personal question with each individual, what Mr. Uenoda had to say is more convincing than would be the citation of long columns of cost production and other statistical items. His experience is the experience of millions of his countrymen, an experience which the advocates of increased purchases of home-made goods must take into account and use as a basis for their campaign if they cherish hopes of success. In an intimate way he gave the problem as it is conceived by the individual buyer, one of several illustrations being:

I bought a pair of shoes seven years ago at a store in Chicago for Yen 12. I wore them two years in America and five years in Japan, have had them repaired several times and still wear them on rainy days. In fact, the more I wear them the more comfortable they are. They are almost worn out and I am sorry to throw them away.

I bought a pair of shoes on the Ginza for Yen 17 last fall. Upon inspection, I found the spots over the toes of both shoes were cracking, and apparently they will not last more than a few months longer.

Just how strong will be the appeal to buy 18-month Japanese shoes for Yen 17 as against seven-year American shoes, even at a higher initial cost price, to Mr. Uenoda and to his many, many countrymen who have undergone such experiences? The campaigners can preach and can publish all the tracts they wish, can talk all day of his patriotic duty. but he will buy the American-made shoes, which are in reality very much more economical, every time that he gets the chance. To do otherwise would be folly. And, incidentally, he may well raise the point whether it is not more "patriotic" to govern his own domestic economy wisely than to follow in the wake of these self-appointed, self-organized groups which have taken upon themselves the duty of telling their fellow countrymen what they should and should not buy.

With the movement to increase both the production and the sale of Japanese manufactures there can be only the sincerest and heartiest sympathy. The continued industrialization of the Empire, despite the great dangers inherent within it, presents the safest and most practical course for Japan to take. Nature and geography have determined that this is the path which must be followed if Japan is to continue to progress at anything like the pace which has marked her forward movement during the past three-quarters of a century. That industrialization will not be brought about by oratory, no matter how

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The Great Silver Question

BY W. F. SPALDING

(World Trade Quarterly Review, July)

TIME was when practically every country of importance in the Far East was an adherent to the silver standard. India absorbed the metal in enormous quantities; Japan had a predilection for it. In French Indo-China the metal was everywhere in evidence. Java, the Straits Settlements, Siam, the Malay States, Dutch East Indies, and the Philippines all pinned their faith to silver. The white metal was a power in the world. One after another, however, the Governments of all these vast territories, seized with the advantages of a fixed standard of value, have deserted the variable silver standard, and have adopted one form or other of the gold standard. The last nation to desert silver was French Indo-China, and now China is left as the only great country with silver as its medium of exchange; although Hongkong in practice, if not altogether in theory, is on the silver standard, and like China, its exchanges with gold standard countries are at the mercy of the fluctuating price of silver. That is not all: most European countries, from causes of economy arising out of the Great War, have either reduced the silver content of their subsidiary coins, or else have practically ceased to mint coins of silver. What, in such circumstances, will be the future of silver, and what will be the future of China in regard to the silver question, we are asked?

Proposals for a bi-metallic standard, a gold exchange standard with silver playing a part, although a minor one, and a uniform silver dollar currency have all been made at separate intervals, and quite recently, there has emanated from a commission of experts under the aegis of the American Professor Kemmerer, a draft law for the introduction of a uniform gold standard system for China. The gold monetary unit suggested is the Sun of 60.1866 centigrammes of fine gold, which is equivalent to 1s/7.-7265d. sterling, or 40 United States cents. The reason given for the se'ection of this unit is that it is approximately of the same value in terms of gold as the silver dollars now current in China, that is the Yuan Shih Kai dollar, which is .900 fine and should contain 23.9775048 grammes of pure silver. The defect in the Kemmerer proposals, in the view of those who have had long experience in matters Chinese, is the failure to appreciate the ingrained love of the Chinese for silver. This predilection for silver is centuries old, and despite the ever-present troubles arising from an adherence to a silver standard, it is one which it will be difficult, if not impossible to eradicate.

The Silver Handicap

Curiously enough, proposals for the reform of Chinese currency have always been coincident with a depreciation in the price of silver. The present position is that silver has fallen to record low levels, and as the Chinese Government's receipts are almost wholly in terms of silver, while a large part of its payments are fixed in terms of gold, the handicap arising out of a silver standard is apparent. For years prior to 1914 there had been an almost continuous depreciation in the price of the metal, and in 1913, after long and arduous negotiations with British, French and American experts, a project had been formulated for the flotation of a Currency Reform Loan, to assist China to put its currency system on a more satisfactory basis. The advent of the Great War effectually put an end to all the work that had been done, the proposals were postponed, and ultimately allowed to die out. Silver has since been left to find its own level.

Variations since then, in both the price of silver and the exchanges of China and Hongkong have been extreme. In August, 1914, the lowest price of the metal was 23. 3/4d per standard ounce, but silver came into its own again during the Great War and became of international importance. So great was the demand for the metal throughout the whole world that its price rose rapidly. The rising price of silver caused the China exchanges to appreciate quickly, and it brought great prosperity to the country. The call from other nations for the metal was equally great, and for some years during the War it became necessary to control the price both in America and in England. These two countries controlled both the avenues of supply and the price of silver, and all users had to pay the equivalent of the price fixed or go without the silver that they so much needed. However, all vesture of control was finally removed in May, 1919, with the result that the price again soared.

In 1918, the average price had been 47. 9/16d per standard ounce, but by the end of 1919 it had reached 79. 1/8d with an average price for the year of 57. 1/16d per standard ounce. The appreciation proceeded apace until the zenith was reached in February, 1920, when a price for silver of 89. 1/2d per standard ounce, and a quotation for the Hongkong dollar of 6s/3d and for the Shanghai tael of 9s/3d was marked. Since then, from a variety of causes, which we shall presently examine, the price of the metal has been marked by severe fluctuations: silver has moved steadily downwards, and it has brought the China exchanges in its train. Silver, we would add, is the variable factor with silver standard countries like China, and since the rate of exchange expresses the equation between two factors, gold and silver, the price of the one of which is fixed, and that of the other variable, it follows that the rate of exchange with, say, China, is intimately connected with and subject to all the fluctuations in the market price of silver.

The lowest quotation ever recorded for silver was that in March 1930 when a price of 18. 1/2d per standard ounce was marked in London. On the same day the exchange rate for the Hongkong dollar was 1s/6d and that for the Shanghai tael 1s/11d. The previous lowest quotation was that marked in January, 1903, 21. 11/16d per standard ounce.

There have been many reasons assigned for this record depreciation in the price of silver, but we may at once say that the supposition that the unrest in China and the resultant decline in China's trade with the rest of the world has militated against the demand for silver, is incorrect. As a matter of fact, China last year purchased a record amount of the metal, though, of course, had more peaceful conditions prevailed, it is possible that she could have absorbed even more of the metal.

The primary cause of the depeciation is to be found in the inexorable working of the economic laws of supply and demand, and undoubtedly the real cause for the decline in the price of the metal is to be found in the excess of production over demand for silver. Prior to 1914 there had been something of a halt in production, and but for the War there might have been witnessed a large falling off in the output of silver from the principal mines. As a matter of fact, many of the so-called "straight" mines, that is those which had produced silver only, in Mexico and the United States, had closed down, and silver mining was being carried on mainly as a by-product of copper and lead. The enhanced demand arising out of the War gave a much needed fillip to silver, and the former sphere of activity in the mines was restored. Those that had formerly found it unprofitable to produce silver were re-opened, the "straight" mines came into operation again, and the metal poured out from all directions. Until quite recently, the production has continued regardless of the absorption powers of the world.

In 1929, the output from the Mexican mines alone was 113,514,000 standard ounces, while the production from the United States' mines was nearly 66,000,000 standard ounces. The other countries of the world produced some 96,800,000 standard ounces, thus making the total world's production for the year about 276,000,000 standard ounces. Apart from the actual production from the mines, silver has been forthcoming from other directions. Many countries having stabilized their currencies, or adopted new monetary standards, have found it expedient to demonetize their silver coins, temporarily or otherwise; while others have made laws providing for silver coins, but have not yet minted them. Great Britain has reduced the silver content of its coins from .925 to .500 fine. Other countries have adopted coins of a varying degree of fineness ranging from 835 to .900 fine.

In 1929, it is estimated that the silver derived from melted British and French coins accounted for about 21,622,000 standard ounces being added to the supply of silver offered on the London market. India also had a large amount of silver at its disposal, following its adoption of the Gold Bullion Standard; from its reserves some 38,000,000 standard ounces of the metal were sold. In fine, it seems that a total of at least 335,000,000 standard ounces have been available during 1929.

Persia Also Renounces Silver

It may be said at once that European nations have purchased little, if any, silver for coinage purposes, and now to add to the depression, comes the announcement that Persia has decided to renounce silver and to adopt a Gold Standard in the near future, though a silver coin is provided for, termed the riyal, and it will contain 4.5 grammes of fine silver.

It may be of interest to state how the vast amount of silver available in 1929 was absorbed. China is the principal consumer, and even in the face of adverse circumstances, her appetite for the metal during 1929 was voracious. She purchased 143,296,000 standard ounces of

silver. India, was also a fair buyer, and purchased 70,500,000 standard ounces of mined silver, plus about 8,000,000 standard ounces, which it is estimated was supplied direct by the Indian Government from its reserves. Then, Hongkong purchased about 20,000,000 standard ounces for coinage into British dollars. The only other important absorption was that of the trade and the arts, and in this we include silver which is now used in the manufacture of films, the total amount taken being some 30,000,000 standard ounces. For 1929, then, the total supply available was 335,135,000 standard ounces and the total consumption was 271,827,000 standard ounces, giving an excess of production over consumption 63,308,000.

It will be realised that to a large extent the depreciation in the price of silver is the logical outcome of conditions in the silver market during 1929. The actual production was rather lower than in 1928, but the effect of this was more than offset by the surplus stocks of demonetized silver super-added to the annual production from the mines. The effect of India's adoption of the Gold Bullion Standard is seen in the reduction in the amount of silver that she purchased during 1929, namely, 70 ½ million standard ounces against 110 million ounces in 1928. Further, it is reasonable to suppose that now that India has an up-to-date refinery working in Bombay, the surplus coin in the silver reserve will be gradually refined and sold locally, or exported as opportunity offers, thus narrowing the outlet for the world's production of silver. It is possible that the movement of demonetized silver from other countries may decline; certainly the fall in the price of the metal seems to have discouraged further sales at the moment from France; but, apart from this, there are few immediate factors apparent to influence an upward movement in price.

One other factor which seems to have been largely overlooked in searching for contributory causes of the decline in price of silver, is, the appreciation in the value of gold, or, to put it another way, the general fall in the gold price of commodities. It must be admitted that the depreciation in the price of silver has far outstripped that in other commodities, but it nevertheless reflects, to a greater extent than is perhaps realised, the general tendency of falling prices. As the Journal of the Irish Institute of Bankers has pointed out, the position is a serious one for China and other Eastern countries whose trade seems likely to be seriously affected. Although exports from such countries may have been for a time temporarily stimulated, yet the serious and long continued depreciation in the price of silver must inevitably play havoc with their exchange and ultimately inflict grave injury to their trade. The external value of the Shanghai tael and the Hongkong dollar, as I have previously pointed out, follows more or less the variations in the price of silver, and with China having to surrender more and more of her currency in terms of gold in payment for her imports, her purchasing power abroad must for the time being be greatly curtailed. Further, the effects of the decline in the price of silver and exchange are widespread, and countries other than China are suffering. A prominent example is seen in the British textile trade, which has had to face a heavy fall in demand from the East during recent years. The silver question also has affected adversely the demand for many other European manufactures, notably woollen and artificial silk fabrics.

Few Signs of Enhanced Demand

As I have said, at the moment there are few signs of any greatly enhanced demand to influence the price of silver upward. But reference has been made to the use of silver in the manufacture of films; this, though likely to become of increased importance, can scarcely yet prove a factor to compensate for the falling off in demand from other directions. It is, however, a step in the right direction. Another welcome sign is the greater attention being paid to silver by the trade; silver is being used more in the arts than it was a year or two ago, and manufacturers of silver plate are producing more articles entirely composed of silver, where a year or two ago such goods were manufactured of an inferior metal with only a coating of silver. Then, it is to be hoped that European and other nations will, under their coinage laws, commence the long awaited minting of silver subsidiary coins. Any developments in these various avenues of absorption will assist in the maintenance, and, it is hoped, the appreciation in the price of silver. It is still, however, to the great silver using countries of the Far East that the silver producers must look for their principal support, and the greatest hope is that more peaceful conditions will prevail in China proper and so make for the encouragement of trade and production, with a resulting increased demand for the metal. Failing that, some form of international co-operation in the production and marketing of silver, it is said, would appear to be the only remedy for the present state of affairs.

As it stands at present, the marketing of the world's mine production of silver constitutes a real problem. An enquiry in 1903 into the reasons for the fall in the price of silver at that period, showed that the two main factors for the heavy depreciation in the price of silver were: (1) that silver, being largely produced as a by-product, it had no fixed cost of production, and (2) that the methods of buying and selling of silver had a depressing tendency.

It may be of interest, therefore, to explain how silver is marketed. The principal first sellers are the large American smelters, whose custom it is to sell their silver at the London market price and to buy at once a similar amount of ore at a corresponding price, though there has been of late some variation from this practice owing to the developments that have taken place in the New York market since the war. The smelters obtain from the silver miners, or rather from the mine-owners, a certain fixed sum in gold for each ton of ore to meet the charges incidental to smelting and selling. As will be explained later, there are two prices quoted in London, one for cash and the other for delivery two months forward. The cash price is for delivery within one week; but it is the two-months' forward price that is preferred by the smelters, that being the estimated period in which to extract silver from the purchases of ore they make from the mines. White, in his small text-book on silver, explains that when a smelter buys 1,000 tons of ore containing, say 20 oz. of silver to the ton, he sells upon the day that he makes a contract with his seller for ore, its contents of silver, say, 20,000 ounces for two months delivery. If there be delay in extracting the silver he will buy in on the due date, 20,000 ounces, or such amount as he may lack, and sell the same amount again for two months delivery.

In the face of long continued custom, it is difficult to see what could be achieved from the suggested international co-operation for regulating the price of silver. I would go further and say, little or nothing may be expected to come of the idea, bearing in mind the experience the principal countries of the world have had of the uneconomic device of "pegging," or regulating the exchanges and the prices of various commodities during and since the war. Once control is taken off, prices seem always to be left to find their own level again.

"Straight" Mines Out of Commission

As for production, we are now witnessing a state of affairs that prevailed previous to the war when the bullion markets had to face a continuous decline in the price of silver. The "Straight" mines have once again gone out of commission. Then in Mexico some of the silver mines that produce low grade ores have completely closed down, and in other cases a large number of miners have been dismissed. In other mines attempts are being made to overtake the fall in price by the adoption of more scientific means of production, retrenchment in costs, and so on. In view of the falling off in profits from silver mining, then, it is possible that 1930 may see a fall in production, though too much must not be hoped from that.

Now in regard to marketing, it may be said at once that New York has become of late years of greater importance as a market for the sale of mine silver, and the scope of that market has considerably broadened. Nevertheless, New York itself continues to be to a very large extent dependent upon London, and its connection with the London silver market is very close. As London still holds the lion's share of trade of the Far East, London may still be described as the chief market for the metal.

Silver dealings in London are on the basis of the standard ounce, .925 fine, and the price is quoted in so many pence and fractions of a penny per standard ounce. This price is fixed in London daily. The determination of price, or "fixing" as it is called, takes place at 1.45 p.m. except on Saturdays, when fixing is at 11.45 a.m. The market price is controlled by four firms of brokers, Messrs. Moccatta & Goldsmid, Pixley & Abell, Sharps & Wilkins and Samuel Montagu & Co. At their daily meetings it is the custom for these brokers to compare the amount of silver which each has to buy or sell, and each broker may disclose the excess of his own position as a buyer or seller at a given price. The first step is to ascertain whether the price of the previous day should be altered. If supplies prove insufficient to satisfy orders, higher prices are suggested until the offerings balance the edmand. Should offerings at the preceding day's price exceed the amount of buying orders, the price is marked down until buying and selling orders are executed. Frequently, the brokers have a number of orders at

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various limits, both for buying and selling, and with the addition of these the price can be adjusted to a nicety. Generally speaking, by this method, the quotation may be evenly held between the buyers and sellers for whom the brokers operate.

There are two prices on the London market for silver; one for cash, called the "ready" or "spot" price, and the other for "forward" silver. The cash price is for delivery within seven days, and that for "forward" is for silver to be delivered within two months from date of purchase. The difference between the two prices, if any, depends upon a variety of circumstances. A strong demand for delivery ahead may carry the forward price to a premium equal to the calculated loss of interest. The brokerage charged for purchasing silver is 1/8%, and as there is no charge to the seller, only 1/8% separates buyer from seller. As between the brokers themselves brokerage is divisible; thus a broker sells to another at 1/16%, and buys from another at 1/16%. Apart from cash and forward deliveries, contracts may be made for any delivery in London according to the requirements of buyer and seller. Silver to be of good delivery on the London market must be from .996 to .999 fine inclusive. The majority of bars bought and sold in London weigh between 1100 and 1200 ounces troy.

The American silver market, as we have said, works in close conjunction with London. The New York silver opens at 9 a.m. and closes at 5 p.m. and on Saturdays at 1. p.m., and no actual market price is quoted at which operations can be effected. Business is done on an unrestricted competitive basis. Bullion dealers will trade in any delivery between spot and one year forward. The price is quoted in American cents per troy ounce of silver .999 fine for New York, San Francisco and American deliveries, and in sterling per ounce .925 fine for London delivery. As a matter of fact stocks in New York vary from 500,000 to possibly 3,000,000 ounces, and are always shipped from the country by first available steamer; sales, if possible being made in transit if the metal be unsold at time of shipment. In New York, only .999 fine silver in bars of from 900 to 1200 ounces constitutes good delivery. The brokerage charged is 1/16 of a cent per troy ounce 999 fine, and is always payable by the seller. Silver shipments from New York to London are made each Saturday. It will be realised that the New York market is entirely different from that of London. There is no "fixing" of prices, the market is open from morning until evening, and the price fluctuates according to demand and supply.

A Capital Secret

(*Straits Echo, Penang, Aug. 12*)

There is no harm in letting Malaya into a little secret regarding the respective claims of Peking and Nanking to be the capitals of China, particularly in view of the fact that no news agency is likely to broadcast the plain, unadulterated facts. In the ordinary course of events, all the foreign legations should now be established in Nanking because the powers recognized that city as the capital of the Chinese government. Not one of the legations has moved, however, and English papers are commenting on the fact, and several are asking the reason why.

Envoys extraordinary and ministers plenipotentiary, who are past masters in the art of diplomatic equivocation, have given their reasons for remaining in the North, and their explanations could be described as "plausible," if only there were any definite meaning to them. The reason that the legations remain in Peking is two-fold, the first being that the climate is unmeasurably superior to that of Nanking. The most vital reason, however, is that the legations are positively afraid to quit the northern capital. There is hardly a member of the *corps diplomatique* who has not had some experience of China's civil wars, and from inside the fortified quarters of the Tartar Wall he can smile serenely while blood is being shed outside. Not so with Nanking, however. Under the 1901 Protocol which followed the Boxer Rising, the powers are entitled to live in miniature fortresses and to have their own marine and military guards to protect them in the event of trouble. The Protocol, however, does not extend to Nanking, hence, if the legations were to shift to the southern capital, they would have to leave their military and naval guards behind them, as well as all their ammunition.

Foreign envoys, being merely human, not unnaturally prefer to retain their peaceful pomp in a city that is considered by many to be the most magnificent in the world, rather than run the risk of living in a climate, almost approximating to that of Penang, in a Yangtse port where civil warriors have no respect for the dignity of envoys extraordinary and ministers plenipotentiary.

Film Libels on Foreigners

(The following paragraphs by P. L. Mannock in the London Daily Herald, are taken from a review of Sax Rohmer's new Chinese "thriller" which carries the title, "Dr. Fu Manchu," now showing in London theatres).

One nation hardly ever depicts another nation authentically on the screen. It is a pity.

I suppose it is because, although films are still fairly international in their appeal, they are made nationally.

The other day I met an American who was amused at the portrayal of one of his countrymen in a British film. He was not offended; he just thought it funny.

Remote from Reality

I pointed out that this was an overdue retaliation on the part of Britain.

For it must be admitted that some of the refined "English" people, as seen by Hollywood, are as remote from reality as are the same "English" people as seen by some of our own home producers.

So This Is China

Film-Makers distort other nations. But as they distort their own as well, race hatred is happily softened into a kind of world-brotherhood of astigmatism.

A few more films like "So This Is London" would do much to cure things. But if America and Britain can laugh at each other through Will Rogers, who is going to do the same as he for the Anglo-Saxon people and China?

Sax Rohmer Film

These reflections are prompted by a new film at the Plaza, "The Return of Dr. Fu Manchu." It is a Sax Rohmer thriller, which will be lapped up joyously by Occidentals.

Most of us will not worry over the fact that any intelligent Chinese spectator will regard it with derision. Not, as we should do in his place, with much resentment. Chinese philosophy is so much older than ours.

A Crafty Copse

The burly brocaded Fu Manchu, played with oleaginous ecstasy by Warner Oland, is first seen as a corpse.

But his funeral is a ritual of cunning, and if there were no sliding panel in the coffin, we should want our money back at the very outset.

He resumes his vengeance on young Dr. Petrie, in new robes, compounding chemicals with the intuition of a West End cocktail barman and abducting the doctor's bride at the altar.

Celestial Mysteries

He threatens those he entraps with a drug to induce insanity; defies Scotland Yard's men who surround his domestic fastness; and generally prefers gongs to electric bells and secret exits to ordinary doors.

One gets so used to the Celestial doctor appearing from unsupected pieces of furniture that I doubt whether his emergence from a steak-and-kidney pie could be regarded as unreasonable.

These Hardy Villains

The excitement ends in his being pushed into the Thames, a bomb exploding in his hand. But, personally, I don't believe that was the doctor's real funeral, any more than his other one.

These Chinese villains take some killing. I predict his reappearance in 1931. Mary Brian (immaculate as to her hair and muslin frock after struggles and incarceration), O. P. Heggie, as a police inspector with a Harley-street manner, and Neil Hamilton all play as if they believed it.

Chinese Will Rogers

Judging by the lack of caution displayed in this film by Scotland Yard and their quarry, they had all sampled some of the brain weakening drug at the start.

Mr. William Austin, the comedy "relief," indeed, invariably gives me that impression.

Yes, we want a Chinese Will Rogers.

Chinese Oppose Increase in Water Rates

The Chinese Ratepayers' Association at its meeting September 5 passed a Resolution to send a letter to the Shanghai Municipal Council, protesting aganst the proposed increase in water rates as being a violation of the agreement arrived at on July 13, 1928. The Chinese Realty Estate Association was also urged to publish an advertisement advising all Chinese building owners to refuse to make any new agreements with the Shanghai Waterworks Co.

Government's Real Attitude on the Telephone Question

BY T. M. E.

THE transfer of the Shanghai Mutual Telephone Company to the International Telephone and Telegraph Company was completed on August 5, when various agreements were signed in the presence of the two Companies representatives. Among the documents signed were agreements with the Shanghai Municipal Council and the French Municipal Council granting the Shanghai Telephone Company, the company's new name, a 40 year franchise in the two Settlements.

The vigorous opposition put up by the National Government against the above transfer gives rise to the spreading of alarming reports in foreign countries that the incident typifies the anti-foreign attitude of the National Government and that the Chinese Government is making preparations for the wholesale confiscation of foreign enterprises in China.

In an interview a responsible official of the Ministry of Communications states that the refusal of the National Government to recognize the legality of the Shanghai Telephone Company's title deeds and franchise does not mean that the Chinese Government wants to drive away American capital or that it has any unfriendly feeling towards the American telephone firm, or any other foreign firm as far as that goes. It is a mistaken idea to think that the Kuomintang is opposed to the introduction of foreign capital for the development of China. The Chinese Government, it is pointed out, looks forward to European, American and other foreign financial interests for their help in putting through the gigantic reconstruction projects in this country.

"Legal" Versus "Illegal" Enterprises

It may be interesting to note that the same Ministry of Communications which opposes the telephone company transfer concluded on July 8 a contract with the American Curtiss Aviation interest for the organization of a powerful aviation corporation with a capital of $10,000,000 (Mex.) of which $4,500,000 to be subscribed by the American company.

There is a difference, however, between legal and illegal foreign enterprises in China. In the case of the aviation contract, negotiations were held between representatives of the American firm and the National Government, and the new aviation corporation was organized with the full approval of the Chinese Government. The contract has been ratified by the State Council. The contract is to remain in force for a period of ten years, upon the expiry of which it may be extended for another five years by mutual agreement of the two parties. The agreement is a purely business proposition concluded on the basis of friendly cooperation. While no doubt this undertaking in the eyes of the American capitalists represents a good investment, the Chinese Government fully realizes that American capital and American technical advice are essential for the development of aviation in this country.

The Chinese Opposition

In the sale of the Shanghai telephone property and franchise, we have an entirely different problem to face. It is only logical for the Chinese Government to state that the grant of a 40 year franchise at this time is made without good grounds. Negotiations are being held between representatives of the Chinese Government and the Powers for the early retrocession to China of their concessions and settlements in this country. Although it is difficult to predict when will the negotiations reach a satisfactory agreement, no friendly Power will be willing to state at this time that the foreign concessions and settlements will not be returned to China for another forty years. The action on the part of the Shanghai Municipal Council may not be a deliberately unfriendly gesture, but it certainly creates a bad impression in the minds of the Chinese.

The official of the Ministry of Communications also points out that as early as September 11, 1929, the National Government issued instructions to the Commissioner for Foreign Affairs at Shanghai to lodge an official protest with the Consular Body with reference to the news of the possible sale of the Shanghai telephone interests. The Shanghai Municipal Council's reply merely stated that an expert had been invited to come to Shanghai to make a survey and that improvements would be introduced. No reference was made in regard to the sale of the telephone interests. The accusation in some quarters, therefore, that the Chinese Government had at no time made any offer to take over the Shanghai telephone company is entirely without foundatioo, There is another ridiculous report about the Shanghai telephone transfer which suggests that one of the unsuccessful bidders, who rather than see the franchise go to its competitor, encouraged the Chinese to oppose the sale.

According to the organic laws of the National Government, the Ministry of Communications controls all telegraph, telephone and wireless administrations throughout the country. The report is inaccurate that the Chinese Government wanted to take over the British telephone company because some of the shares of this firm were owned by Chinese and that once a precedent is established, the National Government will in the future take over all other foreign enterprises in China in which some Chinese hold interests. This report has been circulated purposely in foreign circles to mislead foreign business men in China and the foreign financial interests which desire to do business in this country,

No Confiscation Intended

The National Government has at no time championed the cause of wholesale confiscation of foreign interests in China. The Ministry of Communications in offering to take over the Shanghai telephone interests also promised to pay a fair price. That the Chinese Government is financially unable to buy over the company is difficult to believe. Even if the Government cannot raise the required sum from the native banks, foreign capital may be secured. The procedure for the Shanghai Municipal Council to take was to discuss the matter first with the National Government before authorizing the transfer of the Shanghai telephone interests. If the Ministry of Communications does not wish to take over the above interests, or is unable to do so, it will be then entirely within the rights of the Council to make the grant and to approve the transfer.

It is correct to think that although the activities of the Shanghai Telephone Company are confined to the International and French Concessions, its usefulness is not complete until it provides a long-distance service in connection with the Government controlled lines. The same thing is true that as the Shanghai telephone administration is in the hands of a foreign corporation, it will be difficult for the Ministry of Communications to carry out its program of establishing an efficient nation-wide long-distance telephone service. As Shanghai undoubtedly is the leading commercial centre of this country, it naturally becomes the centre of the telephone net-work. Most of the telephone messages are either out-going messages from Shanghai or are out-port messages to Shanghai. On account of the establishment of a separate telephone administration in the Shanghai concessions, greatest inconvenience is felt in making connections,

Still Time to Settle

It is highly unfortunate that such a comparatively unimportant issue has created bitter feelings between the Chinese and foreign communities in Shanghai and remains an unsettled controversy between the National Government and the Powers. The matter, however, can still be satisfactorily settled if the two parties concerned will be willing to discuss the matter without any prejudiced feelings. For almost a year there had been vigorous protests against the previous contracts signed between the Nationl Aviation Corporation and the Curtiss interests. It was rumored once that the contract would be cancelled by the National Government. Several informal communications were exchanged between the American and Chinese Governments regarding this matter, and as a result of careful discussions between the representatives of the American firm and the Ministry of Communications, the controversy was satisfactorily settled and a new contract was drawn up to the satisfaction of both parties concerned. The present cable negotiations may also prove that frank discussions will go a long way in the settlememnt of disputes. But if the Shanghai Telephone Company ignores the protest of the Chinese Government and the feelings of the public, the matter will be greatly complicated in the future years to come and will be an additon to an already long list of particularly sore incidents between the Chinese Government and the Powers.

Shanghai, August 5, 1930.

Chinese to Protest Increasad Head Tax into Dutch Colonies

The Ministry of Foreign Affairs is preparing a protest to the Netherlands Government against the recent decision of the Dutch East Indies Immigration Commission to impose an additional immigration tax of from 50 to 150 guilders per head upon immigrants from the Far East, a regulation which if enforced will in practice discriminate against the Chinese.

Japan's "Monroe Doctrine" at the Williamstown Conference

ONE of the most interesting phases of the Institute of Politics at Williamstown last month was the use which the Japanese tried to make of the Monroe doctrine. The proposition that Japan maintain policies toward China comparable with the Monroe Doctrine and Caribbean policies of the United States precipitated lively discussion in the round table on Far Eastern affairs, with Prof. Blakeslee holding such a policy on Japan's part justifiable, with Yusuke Tsurumi, former member of the Japanese diet, contending that it was warranted if it implied the maintenance of mutual integrity and the protection of Japanese lives and interests in China, but with Dr. Yuen-li Liang, formerly judge of the Shanghai Provisional court, and Prof. Philip Marshall Brown of Princeton University contending that there would be no analogy between the American Monroe Doctrine and a similar policy for Japan in the Far East.

Prof. Blakeslee observed that Japan's Manchurian policy is often compared to the Caribbean policy of the United States and noted that in the Japanese view, both countries hold territories by lease in foreign lands which they regard as vital to their respective interests and as requiring protection. Both, he said, would defend their landholds at any cost, while he said that under Premier Tanaka, at least, the Japanese claimed the same responsibility for preserving peace in Manchuria that the United States assumes in the Caribbean. He admitted, however, that there are some defects in the analogy, noting that Japan is accused of the desire to exploit Manchuria, for which there is no parallel in Latin America so far as United States policy is concerned. He said that it is the view of many, however, that there is inconsistency between the Monroe Doctrine, which is sometimes interpreted to make the Western hemisphere a "sphere" of the United States, and the Open Door doctrine by which the United States demands equality in the East, but this, he added, is based on an erroneous interpretation of the Monroe Doctrine. There is a further feeling, he added, that the United States has been unduly suspicious of Japan and has at times tended to interfere with her legitimate economic expansion in China. "The Japanese therefore," he said, "have been greatly gratified at recent expressions of United States officials showing American appreciation of the Japanese situation."

Tsurumi Gives Views

Mr. Tsurumi said: "This much is true; if the Monroe Doctrine is narrowed down to the idea of self defense, I think we can say Japan wants to have the same—that is, the intergrity of China and the intergrity of Japan. But Japan does not pretend that she would protect the integrity of other Asiatic nations. If the Monroe Doctrine is interpreted in the broader sense, I do not think there is any similarity." Japan, he said, is willing to co-operate with anyone to maintain the integrity of China without which Japan would not be safe.

As to Manchuria, he said, the situation is different, declaring that "Japan's economic interests there are much more vital than Americans interest in the Caribbean area for the reason that Manchuria has such a vital place in Japan's economic life." He compared the Manchurian railroad not to the Caribbean Islands but to the Panama canal, and said if Japan can keep the peace of Manchuria, she has nothing more to ask. Concluding, he said the problem resembles those back of the Caribbean policies of America in the points of vested interests, citizens of the country living in the region, and trade interests, adding that these must be protected and that "unfortunately, because of the inability of the Chinese to maintain political order there, Japan has had to take responsibility sometimes. But that was confined strictly to policing the place and has never gone beyond that limit."

Dr. Brown Opposes

Contrasting the policy of the United States in the Caribbean area with the policy of Japan in Korea, the Liao Tung Peninsula and other parts of the Far East, Dr. Philip Marshall Brown of Princeton University declared that he believed no parallel could be drawn.

Referring to United States conduct under its Monroe Doctrine, and noting its non-imperialistic policy in the taking of the Panama Canal, he said that Japan, in contradistinction, has "exhibited an intense brand of nationalism in certain of her actions," especially in the Liao Tung Peninsula. Continuing the contrast, he said that the United States kept its promise and freed Cuba but that Japan has made Korea almost an integral part of her country. If the Japanese were to have a doctrine for Eastern Asia similar to the Monroe Doctrine he concluded, it would mean that all her influence would have to be used to bring about a state of peace and to free the eastern nations from all outside menaces.

The speaker said that Japan does not undertake to maintain the "Open door" policy in the east as the United States does in its hemisphere, and said that the Japanese, in the Lansing-Ishii note gave to the term "special interests" a meaning much deeper than that of Americans.

Views of Dr. Yuen-Li Liang

Dr. Liang, like Dr. Brown, denied there is an analogy between either the Monroe Doctrine or the Caribbean policy and Japanese claim to "predominance" in the East. The Monroe Doctrine, enunciated to meet a threat of European intervention, is of more than 100 years' standing while the Caribbean policy, mainly dictated by strategic and economic considerations. has the approval of several of the countries concerned. Japanese assertion of paramount influence in the Far East on the other hand, he said, is of recent origin and has been challenged vigorously not only by China but by other powers who see it as a death blow to the Open Door doctrine. He said that the abolition of the Lansing-Ishii agreement spelled the doom of Japanese assertions of paramount or even special interest in the Far East.

Continuing, Dr. Liang said:—

"The argument that Japanese interest in Manchuria justifies Japanese predominance in the Far East is also not tenable. Without going into the question of Manchuria in detail, it may be said that Japanese treaty rights at Manchuria ceased in 1923 and have been continued only by virtue of the famous or infamous Twenty-One Demands which were negotiated under circumstances essentially different from the negotiation of those treaties giving America a privileged position in the Caribbean areas. China is well aware that economic necessity compels Japan to seek an outlet in Manchuria and Japanese contribution to the development of Manchuria has been considerable. But *economic co-operation must not thanklessly be seized as a wedge for political domination.*

"The analogy of the American position on the American continent and the Japanese position in the Far East falls to the ground again when we examine the intrinsic nature of the claim. It is unquestioned that the United States occupy a substantial part of the American Continent and as far as territorial possessions are concerned, do stand out in bold relief on the map of America. The Latin-American nations would also agree that they owe much to the United States for their independence both at the beginning and up to the present. The influence of American culture and civilization on the Latin-American nations has been deep-going, particularly as regards sanitary and technical co-operation.

"The same thing cannot be said as to Japanese relations to China. While China will acknowledge that she has learned much from Japan during the past four decades, it is undeniable historically that it is Chinese civilization which has exercised the predominant influence on Japan. Japan has accomplished no *mission civilisatrice* in China irrespective of the question whether China wants it or not. As regards their respective place on the map of Asia, it does not need much wisdom to come to a conclusion as to which country should lead the Asiatic states.

"The fall of Regional Control, an institution which may be called *international feudalism*, has been hastened by the rising nationalism in various parts of the world. It calls for wise and far-sighted statesmanship to adjust the claims of the various states which happen to find themselves to be neighbors. It is perhaps the divorce of economic considerations from political ambitions that may lead to an amicable and satisfactory solution of the problem."

Chinese Minister at Berlin Proceeds to Geneva

Chiang Tso-ping, Minister at Berlin, in a recent cablegram to Nanking reported that he was leaving the German capital immediately for Geneva in order to attend the annual session of the League of Nations as one of the three Chinese delegates.

Britain's New Policy in the Near East

BY DR. TARAKNATH DAS, PH. D.

PRESERVATION of the British Empire and expansion of its territory, power, influence and prestige in all parts of the world, *by all possible means*, is the principal, objective of British Foreign Policy in all parts of the world. In spite of change of party governments, this policy remains consistent. With a change of government, which occurs to suit the internal and external conditions of the British Empire, the leaders of various parties shape their policy in such a way as will be most conducive to furthering British Imperial interests. From this point of view, there is nothing new in British policy in the Near East. But at the present time one can discern that the British Government has decided to adopt tactics which will be regarded as new to many people.

The territory between Sudan and Egypt and India must be brought under British control and influence; and raw materials, man power, strategic position and the markets of this vast region must be utilised—if not monopolised—for the furtherance of British power. This has been the policy of Great Britian for a century. Diplomatic history of Britain in relation to Egypt, Turkey, Persia and Afghanistan demonstrates this fact. There are however instances when the British took sides with Turkey, Persia and Afghanistan against Russia; but this policy was adopted to check Russian influence and not for furthering the interests of Asian states. Whenever Britian aided an Asian state against another, she always extracted very valuable concessions for the service rendered.

During the early part of the twentieth century British Tories as well as Liberals decided to co-operate with Russia and France to crush German commercial rivalry and political power; and they agreed to divide North Africa and countries in Asia amongst themselves. Without going into details, it may be summarised that Great Britain agreed that she would annex Egypt and allow France and Spain to divide Morocco. (Vide "*Morocco in Diplomacy*" by E. D. Morel). Great Britain made definite agreements with Russia for partitioning Persia—the northern region to be under Russian control and the Southern part be virtually a British colony—.Great Britain made further agreements with Russia to extend her control over Afghanistan and Tibet, while Russia was to make Outer Mongolia a part of the Russian Empire. France, Britain and Russia agreed to dismember the Ottoman Empire—It was decided that Russia would secure control over Constantinople, Britain would annex Mesopotamia and certain other parts of Arabia, while Franne was to establish her supremacy in Syria—.(These facts have been discussed with documentary evidence in such works as "*Entente Diplomacy and the World War*" by Siebert and Schreiner and "*The Origins of the World War*, "by Prof Sidney B. Fay.)

Britain's New Policy in Near East

When the World War was over and Britain gained her points regarding the dismemberment of the Ottoman Empire, she did not wish to see her promises to Czarist Russia, regarding Northern Persia and Constantinople carried out. This was due to two reasons: (1) Britain, did not wish that Russia would secure control over Constantinople and Northern Persia and (2) She was opposed to all measures which might strengthen the position of the Soviet Government in Russia, which made a separate peace with Germany.

To understand the full significance of the new policy of Britain in the Near East, one must carefully study the text of the Anglo-Persian Agreement which was drawn up by the late Lord Curzon, after the Treaty of Versailles. By this treaty, which was signed by certain Persian Ministers, who were later repudiated by the Persian Nationalists as British agents, Britain secured virtual control over Persian Finance, Army, and Foreign Relations and made Persia a virtual protectorate. It may be remarked that after the World War, the late Lord Curzon laid the foundation of the present British Near Eastern Policy, which has been slightly modified to suit the circumstances. This policy has three distinct features which are closely inter-related with one another. (1) Elimination of Russian Influence in the Near East, (2) Prevention of possible co-operation among Russia and other States in the region of the Near East, (3) Gradual establishment of financial and military protectorate over various states in the Near East, even under the guise of signing formal alliances, and bringing them within the orbit of British influence, through securing their membership in the League of Nations.

The most important reason for British opposition to Soviet Russia lies in the fact that Soviet foreign policy for a time practically demolished the pillars of British power in the Near East and the Far East. To be concrete, I shall mention only four outstanding instances—(a) The Soviet Russian Government aided the Persian Nationalists to revolt againt the above-mentioned Anglo-Persian Treaty, negotiated by Lord Curzon and made it impossible for the British to make Persia a virtual British protectorate. (b) The Soviet Russian Government entered into alliance with Turkey which made it possible for Mustapha Kemal Pasha to oust the British and Greeks from Turkey and organise the new republic. (c) The Soviet Russian Government aided ex-King Amannullah of Afghanistan to make his country truly free and independent of British control and influence. (d) The Soviet Government gave up its special spheres of influence in China and abolished the then existing extra-territorial jurisdiction and aided the Chinese nationalists, under the leadership of the late Dr. Sun Yat Sen, to carry on the war against British interests and those factions in China which were pro-British.

The Soviet Russian Government was not content with hurting British power and prestige in various parts of Asia, but it adopted the positive policy of creating a new balance of power in favor of Soviet Russia and against Britain. For a time, the Soviet Russian Government succeeded admirably in its agressive anti-British campaign in the field of international diplomacy. This was primarily due to the unsurpassed diplomatic prudence and ability of M. Tchicherin, the ex-Commissar for Foreign Affairs, who laid the foundation of the new Foreign Policy of the Soviet Russian Government. By various pacts, agreements and neutrality treaties, the Soviet Government succeeded in securing the support of Afghanistan, Persia and Turkey to the effect that they would not aid the enemies of Russia. For some time it was generally recognised that there was a defacto offensive and defensive alliance between the four statesof Soviet Russia, Persia, Turkey and Afghanistan. This was a genuine threat to British supremacy in the Near East and India.

It is quite natural and legitimate that British diplomacy—political, financial as well as military—will direct itself to undermining the formidable bloc of Soviet Russia, Turkey, Persia and Afghanistan and take necessary steps to strengthen British influence within the whole region between Sudan and India. If one studies the events in international politics, happening in the Near East, keeping in mind the above broad principles of operation of British diplomacy in this region, then it will be clear that during the last two years, Britain is gaining an upper hand over Soviet Russian diplomacy.

Effective British Diplomacy

The new mode of operation of British diplomacy in the Near East, during the last few years, has been very simple as well as effective. *It decided to end unnecessary friction and conflict with Egypt and Arab States, and to strengthen British position through Egyptian and Arab support.* The actual inauguration of this policy came into effect when the first Labor Government under J. Ramsay MacDonald made the offer of securing a virtual alliance with Egypt, without giving up the substance of British power in Egypt and Sudan. The idea behind this project was to offer Egypt nominal independence and make her a member of the League of Nations and at the same time secure a guaranty from Egypt that the Egyptian army, finance, territory and raw materials will be at the full disposition of Great Britain, to aid the latter in any occasion which might endanger the security of the British Empire. Of course Britain did not propose the treaty of alliance without safeguarding her own position in Sudan and the Suez Canal. Furthermore it was proposed that Egypt will not pursue any independent course in international affairs, but will follow British advice and direction. The proposal of an Anglo-Egyptian Alliance is possibly one of the cleverest moves of British diplomacy, which, if successful, will undoubtedly strengthen the position of Britain in the Mediterranean region, North Africa and the Near East.

For a time the British Government was not friendly to Ibn Saud, the King of Nedj and Hedjaz and supported Emir Feisal, the King of Iraq. However, at present, the British Government has adopted the policy of befriending both Ibn Saud and Emir Feisal to use them to strengthen British position in the Near East. It seems that the British Government feels certain of the support of both

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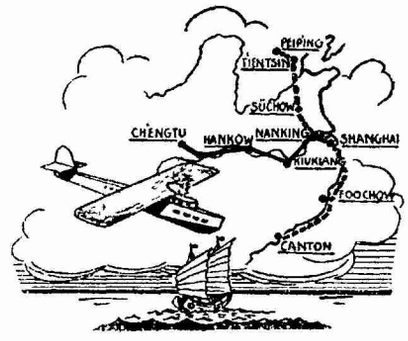
Passenger Fare Table

	Single Trip	Round Trip
Shanghai-Nanking	$ 40	$ 60
„ -Kiukiang	104	156
„ -Hankow	138	207
Nanking-Kiukiang	64	96
„ -Hankow	98	147
Kiukiang-Hankow	34	51



Time Table

West Bound

Shanghai	dep.	8.00 a.m.
Nanking	dep.	10.30 a.m.
Kiukiang	dep.	1.30 p.m.
Hankow	arr.	3.00 p.m.

East Bound

Hankow	dep.	8.00 a.m.
Kiukiang	dep.	9.45 a.m.
Nanking	dep.	12.45 p.m.
Shanghai	arr.	3.00 p.m.

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KIUKIANG	77 Erh Mah Loo	Phone 192
HANKOW	53 San Chiao Chieh	Phone 3940

Ibn Suad and Emir Feisal; and therefore to please the Arabs in general, it has modified its pro-Zionist policy in favor of the Arabs of Palestine.

Egyptian and Arab support to Britain will have a great significance in world politics. If ever France and Britain be involved in a conflict, then Britain, with an alliance with Egypt and Arab states, will, without great difficulty, be able to defeat France in North Africa and Syria. In case of any hostility between Britain and Turkey, or Britian and Persia or Britain and Russia, Arab support will be of tremendous value. Britain is anxious to give up her mandate over Iraq, because the treaty of alliance between the Governments of Great Britian and Iraq, concluded on June 30, 1930 offered Great Britian greater advantage militarily and economically than exercising the limited rights of a mandatory power. Under the proposed treaty of alliance between Great Britain and Egypt, and the Anglo-Iraq Alliance Britain will be able to utilise British-trained Iraqi and Egyptian troops in any part of the world. *To strengthen her position in Europe, France has entered into alliance with Poland, Czecho-Slovakia and Jugo-Slavia; similarly Britain is taking steps to conclude alliances with Egypt and Arab states to strengthen her position in the Near East.*

Those who are not yet initiated into the intricacies of international diplomacy, may regard that Britain is very generous when she proposes to form an alliance with Egypt or Iraq, or when she agrees to confer a limited form of Dominion Status to India. The real reason for such an offer lies in the fact that international situation in Europe and other parts of the would is not stable; and Britain cannot maintain her supremacy in India, Iraq, Trans-Jordonia, Palestine or Egypt, if she is faced with a hostile combination of powers in Europe and if the United States and Japan refuse to come to her rescue. If India, Egypt and Arab states revolt simultaneously, and British security in Europe is threatened, Britain will be unable to maintain her present position in India and the Near East. This being the case, British statesmen think it wise to form alliances with Egypt and Iraq and humor Indian nationalists with promises of concession and even Dominion status for these countries, as a friend enjoying special privileges. Superiority of British statesmanship lies in its ability to adjust itself under peculiar circumstances, without surrendering imperialist interests. One must admire British socialists and labor leaders for their ability to function as the upholders of British imperialism in the Near East and India by adopting new and effective tactics.

London, England, August 3, 1930.

German Investigates Anti-Fertilizer Agitation: Is Thrown into Prison

C. Hanske, a German citizen connected with the Deutsche Stickstoff Handelsgeselsschaft (analine dye concern) was arrested while on a business visit from Swatow to Chao An, a town on the Fukien-Kwangtung border. The town lies a few miles from the coast and is the centre of a rich rice and fruit growing district. The district is a fairly large market for artificial fertilizers and Mr. Hanske was making enquiries into the activities of the local branch of the Kuomintang, which is alleged to have been threatening merchants who deal in foreign chemical fertilizers and had been advising farmers that they are poisonous. Mr. Hanske was accompanied by three Chinese who were also thrown into prison. A Hongkong newspaper states that Mr. Hanske was tied up when he was arrested and then marched round the town with a paper "fool's" cap on his head, before being put in prison.

R. T. Crane, Jr., Donates Chinese Jade to Chicago Museum

A recent *United Press* message from Chicago states that, included in an important collection of Chinese jade objects recently presented to Field Museum of Natural History in that city by Mr. R. T. Crane, Jr., are a remarkable slab from a jade book, and several noteworthy carvings. The jade slab presented by Mr. Crane is engraved with a pair of rampant five-clawed dragons soaring in clouds and striving for a flaming pearl, with the ocean and an island emerging from the waves below. The centre is occupied by the title of the books, which reads, "A Dissertation on Talents and Virtues with Reference to the Counsels of Kao Yao—an Imperial Essay." Kao Yao was minister of justice to the ancient emperor Shun.

The Truth About the China Merchants S. N. Co.

BY PAUL K. WHANG

The China Merchants Steam Navigation Company is impatiently awaiting, so to speak, the arrival of a Santa Claus, who will bring to it a bag full of money. Its staff is looking toward him to pay the wages which are two or three months in arrear, and its creditors are expecting him to pay their bills which are long overdue. But to the disappointment of all, up to the time of writing this article, no Santa Claus has ever come. Ever since the tragic death of T. C. Chao, the government has appointed several men to the post of the managing directorship of the Company, but none of them have had the nerve to assume that post. Tsai Pei, the Chief of the Shipping Bureau under the Ministry of Communications, has been the first one called upon to bear the brunt. Having been offered that post, he has been quoted as saying that if the government insisted upon him taking that post, he had no alternative but to retire from official life forever. After tendering his resignation twice, he finally consented to hold the post for ten days. The government next turned its attention to Chen Hsi-tseng, the Director of the Chinese Telegraphic Administration, and appointed him to the post. For two weeks, Mr. Chen has travelled back and forth on the Shanghai-Nanking railway, and finally rejected the appointment by giving his reason that he is not capable to solve the financial problems of the Company. The government has been compelled to pick out a third man and appointed Z. K. Li, the Vice-Minister of Communications, to the post. Mr. Li, ever since his appointment, has been in Nanking soliciting financial assistance, and has also marked time to go to his new office. It is hoped that Mr. Li this time will not follow the examples of his predecessors, and fail the hope of the staff and creditors of the Company once again.

A Sorry State of Affairs

It is beyond a shadow of doubt that the crippled state of the Company's finances will provide a shock for any one who is aspiring to hold the office of managing director, mentioning not its manifold complicated problems either political or otherwise. To all intents and purposes the China Merchants Steam Navigation Company is not any longer like a rotten apple, which can deceive others by its outward show; for now anybody who can read and write has a fairly good picture of its present standing. It is true that when the Company was under private control, no matter how bad the management was, the outside world knew little about its exact financial status, and no figures ever leaked out to inform the public as to its resources and liabilities. But since the Company passed into the government control, the new management has given out all details in the press including its financial predicament, and now the outsiders know even more about the Company than those working in the office. Thus it is no longer a secret that the Company has in the past contracted long-and short-term loans of more than Tls. 10,000,000; that it has mortgaged everything it can claim its own; that it has been the debtor to all the local banks; and that it has not even been able to make payments of interest on the mortgages. Recently there has been further disclosure in the press as to its resources and expenditures. It has been stated that its monthly income amounts to only Tls100,000; while the expenditure of the same period runs over Tls.300,000, and that by the time of Mid-Autumn Festival, it needs Tls.1,000,000 to pay all the necessary bills. From these figures, we can readily see that any newcomer to hold the post of the managing directorship of the Company must first find means to raise Tls.200,000 every month, in addition to the big sum needed to tide over the coming Festival.

Where Will the Money Come From?

If the post of the managing directorship of the Company requires a man who will frequently tax his brain by devising new ways to raise money for meeting the necessary expenses it is doubtful if anybody will gladly accept the job without hesitation, no matter how much social prestige and money returns the post will bring to its holder. Unless the new managing director can raise the money by means of his own influence, he will be bound to be disappointed if he intends to approach the money lenders with the Company's credit. Granting that the new managing director can get some financial help from some sources through his personal influence and credit, he will soon find that his resources are far short of the vast need in rehabilitating the Company. It is no exaggeration to say that in order to rehabilitate the Company, it requires ten million taels to pay off all its indebtedness, and it requires another ten million taels to defray the cost of building new ships and modern wharves in the hope of competing with other shipping companies. We wonder who can raise this huge sum singlehanded without either the assistance of the government or the help of its stockholders. Therefore in order to rehabilitate the Company, the new Managing Director the must seek help from these two sources.

Since the Spring of 1928, the China Merchants Steam Navigation Company has been under government control. Being under government control, the management has naturally looked toward the government for financial support. But during the last two and half years the government has given it no financial support, even though it has made many paper promises. T. C. Chao, the late managing director, has submitted many projects of reorganizing the Company, including three alternative plans of buying off the stocks from the stockholders, but all the projects have been pigeon-holed, inasmuch as the government officials have been too busy in conducting military campaigns, and have had no time to turn their attention to such trifling matters. Now it becomes more apparent that the government which has been at its wit's end to raise money to finance the wars will have no money to invest in any business enterprise. Therefore as long as the internecine wars drag on endlessly, it is futile to talk about and seek government assistance. Then the Company has to turn to its stockholders for help. But while the Company is under government control and its managing director is appointed by the government, it is a foregone conclusion that no stockholders will be so foolish as to respond spontaneously to its calls of assistance. On the other hand, for the sake of saving its "face", the government is not likely to hand back the control to its stockholders after two and half years' unsuccessful administration, even though the government, in face of the financial difficulties is more willing to relinquish its control than to bear its unnecessary burden.

Being deprived of help either from the government or from the stockholders, the Company has degenerated into a hopeless state. In order to find a way out of this deadlocked situation, some government officials have advocated the joint management of the Company by the government and the stockholders. Although such a half-way measure is acceptable to the government, yet it is doubtful whether the stockholders will be satisfied with such a compromise. According to reliable information, the government has already proceeded to form a committee to supervise the administration of the Company, and the committee members will be comprised of some local well-known merchants,—the formation of a supervisory committee in addition to the appointment of a managing director will be interpreted as a definite move toward the system of joint management, although the government has not as yet made its stand clear as to what will be the status of the Company. Under the joint management, the Company might take on a new lease of life, but it is safe to say that the system will not last long, as no commercial enterprise under joint management can be conducted successfully. It is reasonable to hope that with the end of the present war, the government will definitely define the status of the Company.

Koreans and Sympathizers Protest Annexation by Japan

August 29 was the anniversary of the annexation of Korea by Japan. The day was observed in Shanghai by groups scattering handbills and shouting slogans. As a sequal two Chinese sympathizers were arrested at the Sincere Roof Garden and charged before the 2nd Branch of the Kiangsu Higher court attached to the Shanghai Special District Court.

R. W. S. Winter, Assistant Mnnicipal Advocate, told the court that about 70 Communists, including many Koreans took part in the demonstration at the corner of Nanking and Chekiang Roads.

More than 200 Koreans in Shanghai observed the day by attending a meeting at the Shanghai Baptist Church, Boulevard des Deux Republiques. Speeches were delivered by various Korean leaders. Handbills were distributed which called for the freedom of Korea.

A similar meeting was held by Koreans and Chinese near the railway station in Chinese territory the following day. When police arrived on the scene the agitators disappeared.

54-072

"Remington"

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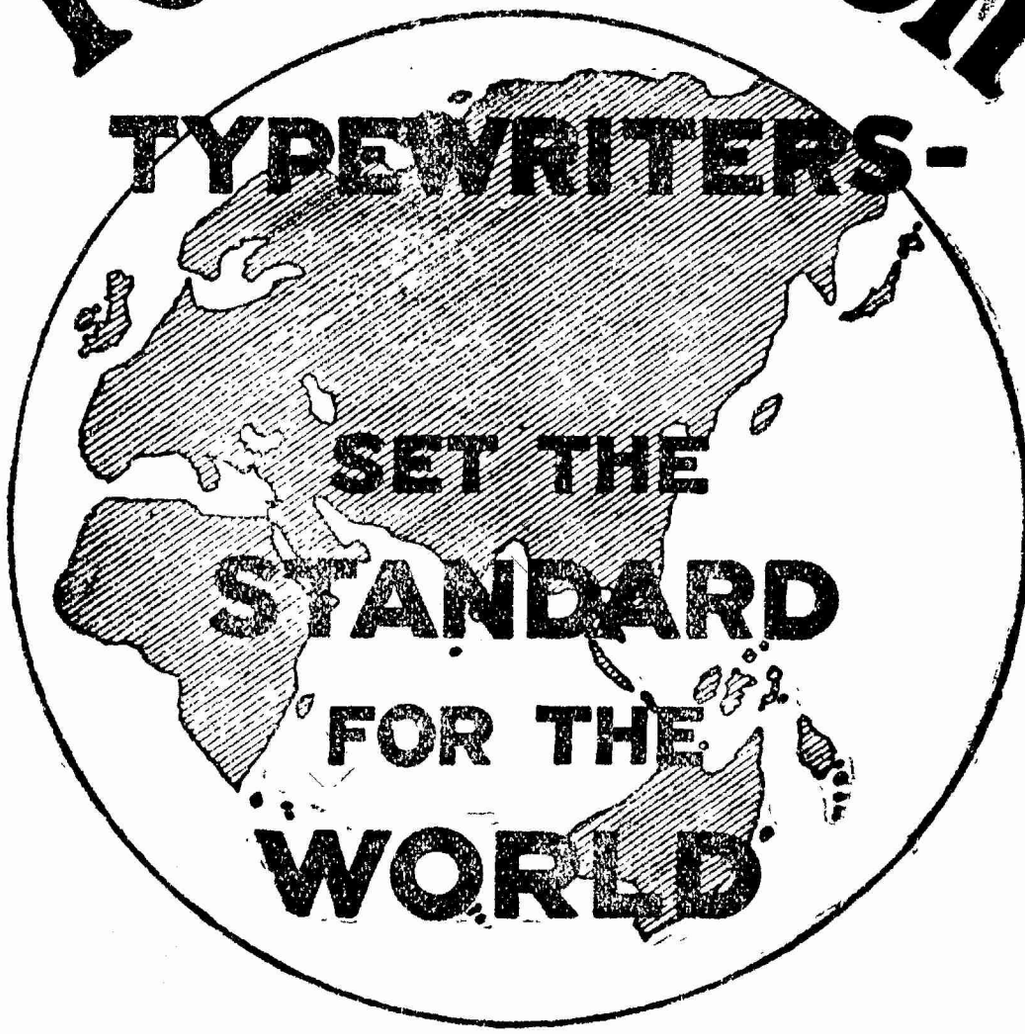


AGENTS THROUGHOUT CHINA

54-073

House-Building—Profitable Investment in Harbin

BY E. U. BARUNG

SOME 1500 houses, the total value of which amounts to 10,000,000 local dollars, have been built in Harbin during this building season, i. e. during the latter part of the spring and throughout the summer. The figure is a record one, being twice as big as that of last year. This intensive building is largely called forth by stagnation of trade here and the dismissal of its employees by the C. E. R., who on receiving their post service pension dues don't find, due to the economic depression, any other way of investing their money than by building houses and then leasing them out, which is a profitable business, the rent in this city being high and the renters numerous. Some imposing buildings have been erected in Pristan and New Town, the owners of which hope to lease the houses to foreigners whom they expect to come here to trade and open offices in this city as soon as the Sino-Soviet relations come to a settlement.

Students Going Abroad

Some 77 Russian youths out of 1,000 graduated last spring from the local Russian schools, preparing for the university, and are going to continue their education in the following countries:

Countries	*Number of Students*
The United States	23
Belgium	21
China (Shanghai)	6
„ (Peiping)	2
Chefoo	3
Italy	3
Canada	3
Palestine	3
Japan	2
France	2
Germany	2
Poland	2
Latvia	2
U. S. S. R.	1
Hongkong	1
Switzerland	1

As is seen from the above table the United States occupies the first place with regard to the number of Russian students who choose its universities for their Alma Mater. This may be accounted for by the students' acquaintance with the English language which is taught to them throughout the course of their study at the Russian Middle School, by their coming into contact with American business men, missionaries, and educationalists here more often than with other foreigners, by their having Russian friends or relatives in America who emigrated there before and who may give the students moral and, in case of need, material support,

In the second place stands Belgium, which country attracts the students by cheapness of living there, the Belgian currency value being comparatively low.

No youth (student) of Harbin went to Latvia prior to this autumn. Two students going this year to Riga, where there is a university, are the pioneers.

Contagious Diseases in Harbin

A severe epidemic of typhus fever was experienced by the Harbin population during last winter and spring when about 200 people died. With the beginning of summer the disease was vanquished. Now typhus and two other contagious diseases have broken out again; yesterday 15 cases of enteric, 3 of scarlet fever and 3 of typhus, in all 21 cases for one day, were registered by the board of Health.

New Coal Mines in North Manchuria

Rich coal deposits having been discovered, a new colliery is ready to spring up at a place 20 miles distant from Fuchin (Kirin Province), which town being known as the granary of North Manchuria is now turning out to be also a supplier of coal. The upper coal stratum lies in some places only 7 feet deep under the surface of the earth. The coal is reported to be of a superior quality to that of any other collieries in North Manchuria. For working the mine a company has been formed of Fuchin and Harbin merchants, in which the North Eastern Steamship Syndicate also akes part. While preliminary work for opening the mine is being done representatives of the company have gone to Kirin to petition the Provincial Authorities to grant a permit for exploiting the mine.

A New Bank in Harbin

A new bank named the Suburban Bank, the establishment of which has already been authorized by the Chinese authorities, will be opened early in September. The head office of the bank will be located in Machiakou, a suburb of Harbin. The bank is established by Russian and Chinese merchants on a joint-stock basis. Among the usual lines of bank business special attention will be paid to credit operations. Many business men here suffer very much from the absence of credit, which prior to the conflict last year was usually extended by the banks in Harbin, but which has been withdrawn owing to the conflict and subsequent stagnation of trade. The only places where the people of Harbin can obtain credit are pawn-shops, which are now doing magnificent and profitable business. Because of the present low rate of exchange(approximately 1 yen-2.20 local dollars)borrowers lose very much when they pay old loans given them in yen. Some of them for the same reason are unable to pay the loans and keep paying interest, which due to the downfall of the local currency has grown too burdensome, On the other hand the pawn-brokers do not fail to exploit the people by lending only small sums for valuables. There seems to be no control over pawn-shops in this city, most of them being Japanese enterprises. It is, therefore, earnestly hoped that the new bank will be of great service to the population of Harbin.

On the C. E. R.

The administration of the C. E. R. is working out the budget of the railway for 1931 on the basis that during the next (1931) year, 4,500,000 paying passengers and 5,600,000 tons of cargo with be conveyed by the railway.

According to the preliminary data of the accounts department of the railway the total income of the current year will amount to 66,000,000 gold roubles, and the expenditure to 51,000,000 gold roubles, the net balance being 15,000,000 gold roubles.

Statistics in a bulletin recently issued by the Economic Bureau of the C. E. R. show that during the last (1929) business year, 4,575,631 passengers and 5,876,964 tons of freight were conveyed by the railway; out of the latter figure 3,076,679 tons was export and 2,800,285 import cargo. The total income of the year for 1929 attained the sum of 70,255,650 gold roubles with an expenditure amounting to 32,764,198 gold roubles.

A sum of 200,000 gold roubles has been assessed by the railway administration for the repair of buildings destroyed and damaged in places along the western line of the railway during the conflict last year.

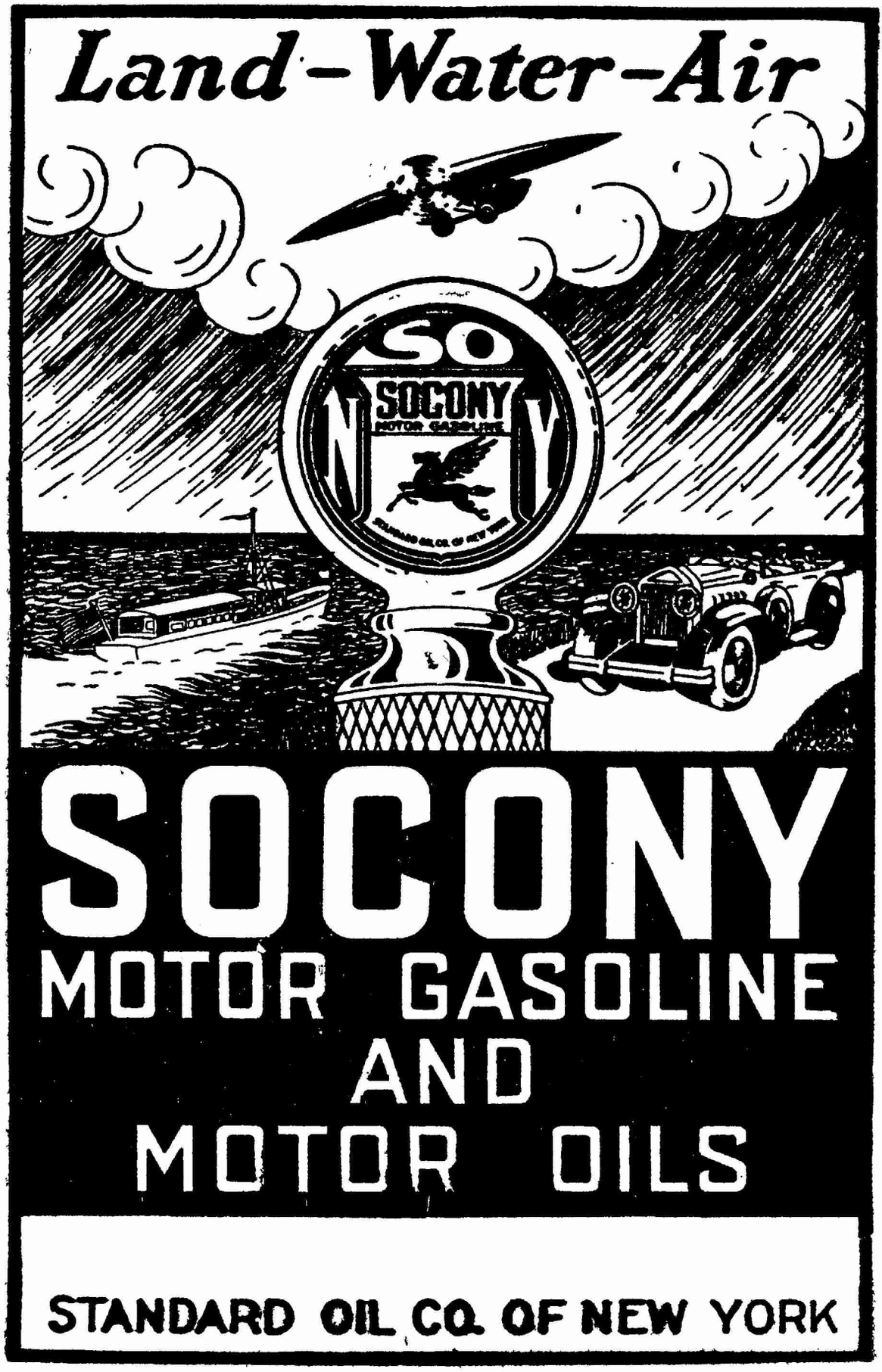
Harbin, Sept. 4, 1930.

Augustinians in Shanghai Celebrate Anniversary

The Augustinian and Recollect Fathers in Shanghai celebrated the 1500th anniversary of the death of St. Augustine at Hippo, North Africa, which occurred August 28, A. D. 430. The celebrations consisted of a General Holy Communion at one of the early Masses at the Sacred Heart Church, Hongkew, followed by Solemn High Mass at 9 a.m. High Mass was celebrated in the presence of the Rt. Rev. Mgr. Haouisee who was assisted at the Throne by the Very Rev. Father Jannsen, the Deacons of Honor being the Rev. Fathers Munarri, S. J. and Rojas. The celebrant of the Mass was the Very Rev. Father Henry, S. J., Rector of St. Ignatius, Zikawei. After the Mass the Fathers were entertained to lunch by the Jesuit Fathers, Sacred Heart Church, Hongkew, after which the guests motored to the Augustinian Procuration, Yangtszepoo, where dinner was served.

Canadian Trade Commissionor in Railway Wreck

Col. L. M. Cosgrave, Canadian Government Trade Commissioner, in Shanghai, has returned from a visit to Manchuria and Dairen by the *Choshun Maru*. Mr. Cosgrave was on the South Manchurian railway express which jumped the rails 45 miles north of Mukden September 2. The locomotive, the baggage car and two passenger cars left the rails. Two railway employees lost their lives. No passengers were killed, but seven were slightly bruised. The last two cars, in one of which Mr. Cosgrave was travelling, were not affected.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54-075

In the Fields of Finance and Reconstruction

Protect Chekiang Embankments

The Chekiang provincial government September 7 approved a proposal for the strengthening of the embankments and dikes along the coast of the province between Hangchow and Haining. The work will cost about $50,000.

Weihaiwei to be "Returned" on Oct. 1

The National Ministry of Foreign Affairs announced September 7 that the final negotiations for the rendition of the British naval base at Weihaiwei to Chinese control, would take place October 1. Sir Miles Lampson, British Minister, in Peiping, arrived in Shanghai this week to settle the final details with Dr. C. T. Wang, Minister of Foreign Affairs.

Ban on Rice Export Continued

The Nanking Food Control Bureau on September 5 petitioned the Ministry of Agriculture and Mining to continue the ban on the export of rice as a means of preventing profiteering in food supplies. It was stated that the prospects for good rice crops this fall had caused an appreciable drop in prices, but in order to prevent profiteering it was decided to continue the ban on exports.

New Iron Deposits Discovered at Canton

The Kwangtung provincial reconstruction department has announced the discovery of new iron deposits in the Tunganhsien region to the south of Takhing in the West River district. The discovery was made by mining experts in the employ of the reconstruction department. It was claimed in the report that the area is as large as the Tayeh mine in Hupeh. An analysis is being made to determine the quality of the deposit.

Regulations on Expropriation

The Nanking State Council September 3 issued an order prohibiting the expropriation of private land for any purpose except strictly official use of governmental departments and in those cases the owners must be given a proper renumeration for their property. The order was inspired by complaints from private owners of land that various departments of the Government had expropriated private land for the purpose of erecting residences of officials of the government or dormitories of government employes.

Nanking to be Divided into Twenty-one Wards

As a means of facilitating the development of local autonomy, the city of Nanking is shortly to be divided into twenty-one sections or "wards," according to an announcement of the Municipal Bureau of Public Works, Land and Social Affairs. As the total number of houses or residences in the city, as determined by the recent census is 105,000, the new arrangement will give each ward 5,000 residencess. Each of the wards will have a director elected by the local residents, while all the directors will constitute a city council. The new arrangement was made necessary by the promulgation of the new Municipal Government law which is to be extended all over the country.

Text-Books to Advertise Home Products

The Bureau of Commercial and Industrial Information of the Ministry of Industry, Commerce and Labor, in cooperation with the Ministry of Education, has issued orders to all provincial departments and municipal bureaus of education that in the future compilation of text-books for middle and primary schools there must be included full descriptions of China's leading home industries as well as stories canculated to implant an interest in native industries. The memorandum issued by the Bureau stated that since the beginning of relations between China and Western countries, the Chinese people "have vied" in the purchase and consumption of foreign goods in preference to native goods, "even when the native goods were superior to foreign articles." It was also stated that even government officials have paid little attention to the recent orders pertaining to the use of native goods.

Electric Plants for Kiangsu

The Kiangsu provincial bureau of reconstruction on September 8 appointed a commission to make a study of electrical enterprises in the Shanghai district with the object of promoting electrical plants throughout the smaller cities of the province.

20-Mile Avenue for Soochow

Soochow, well known city of Kiangsu, located to the north of Shanghai on the Shanghai-Nanking railway, is shortly beginning work on the construction of a 20-mile avenue entirely encircling the city. The new road will replace the ancient city wall which is shortly to be torn down. The new road will have ten arched bridges across the canals and the cost is estimated at $300,000.

China Sends Delegate to Statistical Meeting

The Chinese Government has appointed Liu Ta-chun as its delegate to the International Statistical Conference, scheduled to meet in Tokyo on September 12. The conference will be devoted to the discussion of various systems of statistics in different countries, the problem of obtaining statistics on population and social conditions, etc. The Chinese delegate will report on conditions pertaining to the obtaining of statistics in China.

Match Monopoly in Chekiang

Chekiang province, according to an announcement on September 6, is shortly to establish a match monopoly, similar to the monopoly which has been inaugurated in Kirin, Heilungkiang, Liaoning and Jehol provinces of Manchuria. The purpose of the monopoly is to prevent the importation of Swedish and Japanese matches. The Manchurian monopoly is estimated to produce a revenue of Yen 1,000,000 annually to the Mukden government.

Industrial Conference November 1

The Ministry of Industry, Commerce and Labor has issued a call for a National Industrial and Commercial Conference to be held in the National Capital, Nanking, on November 1. In addition to the foregoing conference, the Ministry has also issued a call for a conference of all experts connected with the various inspection bureaus at Shanghai, Hankow, Tsingtao, Tientsin as well as the Central Industrial Laboratory, the purpose being to adopt uniform standards for the testing and inspection of all commercial commodities.

New Gunboats Nearing Completion

The new Chinese gunboat *Yat-sen* being constructed at Shanghai for the National Navy, is reported nearing completion, while another boat the *Ming-sen* is also well under way. In addition a number of old gunboats, including the *King-Lu*, *Ching-An*, *Hsiang-chang*, *Weisheng*, *Chen-sheng*, *Cheng-sheng*, *Yisheng* and *Hu-Pang*, are being repaired and reconditioned for service.

It was also announced on September 8 that a new agreement has been made with the Japanese Naval authorities for the admission of Chinese naval cadets into Japanese naval academies. The new agreement deals with the methods of treatment, discipline and fees for the Chinese students.

Japanese Telegraph Conference Delegates Arrive in Shanghai

Keizo Yoshino, Chief of the Bureau of Postal Savings in the Ministry of Communications, and a delegate to the Sino-Japanese Telegraph Conference to be held in Nanking, accompanied by Mr. Iino, Chief of the Section of Foreign Telegraphs in the Ministry of Communications, who is also to attend the conference as expert assistant to Mr. Yoshino, arrived in Shanghai during the week. The other delegate to represent Japan at the conference, is Mamoru Shigemitsu, acting Japanese Minister to China.

It is reperted the Chinese Government has appointed Chuang Chi-hui as the chief delegate to conduct the negotiations. The formal opening of the conference is to be held about September 20 at Nanking. The *Shun Pao* says many difficulties have to be overcome before the conference can be satifactorily concluded, as the Chinese proposals to take over the control of the foreign cables are apparently at variance with the predetermined plans of Japan.

Native Goods Producers Want Higher Tariff

The Chinese "Native-Goods Promotion Association", on Sept. 5 petitioned the State Council, urging that the new National Tariff should be promulgated immediately as a means of safeguarding the development of domestic industries and protecting them from the competition of foreign goods. The Association called the Government's attention to the fact that the provisional tariff has now been in effect for one year, hence the standard National Tariff Law should be promulgated without delay.

Preparations Completed for Rendition of Kulangsu

Dr. M. T. Z. Tyau, of the Ministry of Foreign Affairs, who was sent to Amoy, Fukien province, for the purpose of investigating the status of the so-called Kulangsu foreign concession at that city, has advised the government that preparations have been completed for the rendition of the concession to Chinese control. The Ministry of Foreign Affairs recently notified the various foreign governments having an interest in the concession to appoint delegates for the purpose of opening the negotiations.

Hankow-Chungking Air Service Starts on Sept. 30

The China National Aviation Corporation announced on September 6 that trial flights on the new Hankow-Chungking air-mail-passenger service, would be held this week and that regular service will be started on September 30. It was also announced that a new landing field for the air-mail and passenger line at Nanking will shortly be constructed in the vicinity of the north terminus of the new Chungshan highway. The arrangements for the new field were made by the Ministry of Communications and the Nanking Municipality.

Direct Radio With All Parts of Manchuria

Arrangements have been completed for the inauguration of direct radio communication between Shanghai and Nanking and all parts of Manchuria, according to an announcement of the Radio Administration of the Ministry of Communications on September 4. Heretofore radio messages for various parts of Manchuria have been first transmitted to Mukden and then distributed to other stations, which method has been the cause of considerable delay. The radio communications committee of the Manchurian administration at Mukden has established receiving and sending stations at fourteen of the leading cities, Mukden, Harbin, Changchun, Kirin, Yenki, Suifenho, Misdan, Tsitsihar, Hailar, Solun, Taheiho, Manchouli, Fuchin and Yinkow.

Hangchow to be "Health-Center"

Dr. Borislav Borcic, expert connected with the health organization of the League of Nations, has just completed a survey of health conditions at Hangchow, capital of Chekiang province, his purpose being to assist the officials in making Hangchow a "health-center" for China. The plan of the provincial officials, working in association with the National Ministry of Health, is to make Hangchow the model city of the country from the standpoint of disease prevention. The plans include the establishment of training schools for nurses and mid-wives, improvement in hospital facilities, including the addition of departments covering the subjects of preventive medicine, surgery, ear, nose, eye and throat, obstetrics, gynaecology, X-ray and physical therapy and laboratory work.

Another Reorganization for China Merchants S. N. Co.

The official *Kuo Min* news agency on September 6 announced the adoption by the State Council of a set of regulations for reorganization of the China Merchants Steam Navigation Company. The new regulations will not affect the status of the company, which will remain a private enterprise under Government control. The regulations provide for a Reorganization Committee which will be under the direct jurisdiction of the State Council. The Committee will have power to decide all important matters affecting the company and will have supervision over its administration. Under the Committee will be a special commissioner who will serve as the chief executive of the company. The Committee will have from seven to nine members, the chairman to be appointed by the State Council and the other members from the board

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of directors as well as experienced shipping executives. It was stated that the new regulations would not impair the interests of the present stockholders. An article dealing with the present status of the China Merchants Steam Navigation Company appears elsewhere in this issue of *The Review*.

Japanese in North Manchuria

According to statistics recently compiled by the Japanese Consul-General at Harbin, there are 4,326 Japanese residents in North Manchuria scattered in the following places:—

Place	Male	Female	Total
Harbin	2,071	1,846	3,917
Sansing	30	8	38
Ninguta	8	12	20
Shwangchengpu	14	16	30
Tsaichiakow	5	2	7
Sanho	10	8	18
Taolaichoa	14	10	24
Imempo	43	47	90
Wiesaho	7	6	13
Shihtowhotze	5	8	13
Hengtaohotze	7	7	14
Hailin	24	26	50
Mutangkiang	8	3	11
Aiho	1	8	9
Muling	4	3	7
Makioho	1	4	5
Suifenho	24	21	45
Sanchakow	—	9	9
Tuanshanchen	—	2	2
Siaohochan	—	2	2
Fuchin	—	2	2
Total:	2,276	2,050	4,326

Chinese Insist on Through Revision of Cable Contracts

Discussing the abolition of the old contracts with the foreign cable companies the *Shun Pao* says that at the last meeting of the conference between the Chinese and foreign delegates at Nanking, it was agreed to await the further instructions from the head office of the telegraph companies concerned before holding the final session. According to one of the Chinese officials participating in the recent conference, it was emphasized that the key to the solution of the cable tangle lies in the abolition of the extraterritorial landing privileges, as this affects China's sovereignty, and next comes the control of the right to receive and issue messages—which has a political bearing. As regards the apportionment of profits, China up until now has been entitled to an exceptionally low percentage. The Great Northern is particularly concerned with the recent cable conference at Nanking owing to the fact that this cable company takes Shanghai as the base of its operations; the other companies are more amenable to the Chinese proposals. As regards the Chinese obligations to the companies concerned, it is stated that an annual fund had been reserved from the part of the profits apportioned to the Chinese Government to amortize the loans and as now only a few milions remain unpaid, this sum can be raised at any momont with little difficulty. As a result of the last meeting of the conference at Nanking, the extraterritorial landing privileges enjoyed by the foreign cable interests in question are to be abolished. The Ministry of Communications has notified the Foreign Affairs ministry to issue notes to the various European, American and Japanese Gevernments, apprising them of the fact that henceforth no foreign Government or individual would be allowed to land any cable on Chinese territory.

How Much the Present Civil-War Is Costing Both Sides

The *Kuo Wen* (independent) news service on September 6 circulated a report to the various foreign and Chinese newspapers giving the approximate cost of the present civil warfare. The report stated that the National Government recently had obtained an additional financial advance of $15,000,000 (silver) which was thought to be sufficient for completing the war. Including this amount, the war has cost Nanking in the past four months about $50,000,000, but this considerable sum, according to the report, does not cover purchases of munitions abroad or other extraneous expenses, the total sum probably being in the neighborhood of $100,000,000. As for the expenses in the North, while necessarily less than in the South, the figure for Yen's military group probably will reach $40,000,000. One of Nanking's political leaders recently was quoted in the newspapers as stating that Gen. Yen Hsi-shan, head of the Northern Military Coalition and governor of the so-called "model" province of Shansi, had been forced to spend most of his personal fortune estimated at $70,000,000, despite the fact that Yen is popularly known as a "tight wad" among militarists.

The *Kuo Wen* report claimed that the losses of the Chinese people in business and property destruction, including damaged railways, would probably reach $100,000,000 thus making the total cost of the war for a period of four months about $200,000,000 or about fifty cents apiece for Chinese in the country. It was declared that this considerable sum of meney, if expended on constructive works, would have been sufficient to complete the Hwai River reclamation scheme, the proposed Woosung deep-water harbor, and in addition the completion of the Canton-Hankow railway, 440 kilometers in length. It was also stated that the continuous warfare is rapidly decreasing the country's food production, making it necessary for China to import large quantities of foodstuffs annually.

What China Needs Most!

To the Editor, *The China Weekly Review*:—

Since the Revolution of 1911, China has been a Republic. But China is a Republic only in name, not in fact. Those who founded the Republic hoped that our nation would be stronger and our people happier than before. But their hopes have not been realized. China is weaker than ever and our people more miserable than in the worst days under the monarchy. Now the political affairs of our country are being directed by the warlords. All the year round wars are waged incessantly among them. They really cause a great deal of harm in every part of the country, So she is weaker and poorer. Indeed, what they are doing is for the enlargement of their purses and for their personal aggrandzement. The more they gain, the more they wish. They do little good for China. The government, which has been organized by the warlords, is not *de jure* or *de facto*. It is not the government of the people, by the people, and for the people. Therefore China is now placed in a deplorable situation. One reason for this unfortunate condition is that China lacks the right kind of leaders; in other words, the moral leaders; from the students will come the future leaders. But in order to prepare the students for leadership, education should first be made universal and compulsory. Education is the first problem which should be taken in hand. We can hardly expect good leaders from among the students without good education. Education is thus an indipensable prerequisite.

Since the students are future leaders, they should pay much attention to their physical, intellectual, and moral education. They should first of all keep themselves physically fit. A poorly developed and weak body is not fit to bear the future burdens and hardships of life, and far less fit to perform the future public duties in society.

Therefore, to have adequate mental equipment a full preparation should be made. At school, they must give particular attention to their lessons, from which they obtain the knowledge that will be of use to them through their whole life. Look at the world heroes who are ever studious. Great men are often great readers. Let us imitate them.

To be adequately equipped morally, great care should be taken in the acquisition of good qualities like faithfulness, generosity, kindness, and obedience. Bad habits and other shortcomings, such as selfishness, envy, idleness, etc., should be discarded.

Another thing for students who aspire to be the future leaders is that, when they are under adverse circumstances they should try to be optimistc. The first thing they should keep in mind is that they should do their best for China, and for the common welfare of the people. They should be courageous and should learn to be patient. If they fail in anything they do, they should not be discouraged, but should try again with a dauntless spirit.

During the Civil War, the United States of America was in a state of disorder. But Lincoin was always hopeful and worked with indefatigable energy. By so doing, he preserved his country from dissolution. China needs such a great man as Lincoln. Let us all try to be the Lincoln of China and preserve our nation as Lincoln did.

SHEN HSUE-CHUAN

Northeastern University, Mukden, August 27, 1930.

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SOME THOUGHTS ON JAPAN'S "BUY AT HOME" DRIVE

(Continued from page 52)

eloquent. It must be based on sound economics, and a pair of shoes selling at Yen 17 and lasting but 18 months or two years does not fall within that category.

There is room and need for a campaign to increase the sale of Japanese-made products, but this can not be accomplished by the type of campaign that is now under way. It is among the factory owners and the factory workers that the campaign should be made. The introduction and practice of efficient, honest and genuinely economical methods of production is an absolutely essential prerequisite for the success of Japanese-made goods. A full day's work on the part of the workmen is likewise indispensable. With these for a basis, the native genius of the Japanese merchant and trader must then be pitted against his competitors in other quarters of the globe. Without these, propaganda in Japan for the increased purchase of home-made product is doomed to fall flat on the ears of men who have bought Yen17 Japanese-made shoes that last them two years, but who have likewise bought Yen 12 (or even higher) American shoes that have given good service through a period of seven years.

A Limited but Growing, Market for Used Clothing in Shanghai

Residents of Shanghai who attend auctions will have noted that in recent years there has been a decided increase in the sales of used clothing, it not being an infrequent occurrence to see as many as 50 or 100 lots being sold at a single auction. This fact so impressed itself upon a Shanghai merchant that he decided to make investigations as to the possibility of working up a trade in this line in China. His investigations have shown that although the market at present is limited the demand for used clothing is gradually increasing. It is only foreigners of the poorer classes who purchase second-hand clothing, the average Chinese workingman being far too poor to make such purchases—the better class, of course, not buying anything but new clothes. However, Chinese sailors may frequently be seen buying used foreign clothing. At the moment business in this line is made all the more difficult by the low price of silver. Several Chinese firms and one foreign auctioneer have expressed the opinion that there is an opening in certain lines. One Chinese clothing firm states that some time ago it bought a thousand used overcoats abroad and sold the lot at a fair profit.

New Law Stipulates Procedure for Suits in Foreign Courts

The National government has decided to enforce a new law regarding the treatment of legal disputes as far as foreign courts are concerned. It takes the attitude that in view of the forthcoming abolition of all foreign law courts in China, in other words the abolition of extrality, it cannot recognize the foreign law courts in this country. The Administrative Council in a review of the situation refers to the fact that government organs have in the past been instituting legal proceedings in foreign courts suing in the name of the National government. Hereafter no government organ will be allowed to undertake legal proceedings in foreign courts in China without first securing permission from the Administrative Council or the department proposing to take action, failing which a breach of the law is committed. After permission is granted the person or government organ, according to the order, must prosecute in its own name and not in that of the government.

No Inquest Held on Major Campbell, Luna Park Promoter

The result of the post mortem examination held at Folkestone, England, September 3, on the body of Major Duncan Campbell, the former manager of Luna Park, who was found in a dying condition last week, disclosed the fact that he died from natural causes. It was stated that Major Campbell, before going to Folkestone, consulted a London specialist, who anticipated the possibility of sudden illness.

Who's Who in China

Shen Shi-yuan, government official; born at Wuhsing, Chekiang, 1880; after having received a thorough education at home in Chinese classics and literature, he passed the imperial examinations under the Ching regime; joined the revolutionary movement in 1911 and was given a high appointment in the Chekiang Provincial Government after the success of the Revolution; following the establishment of the Republic, he interested himself in educational work and served successively as professor of Chinese literature and philosophy in the High Normal College of Chekiang at Hangchow, the Peking Government University and the Yenching University at Peking; in 1929, he was appointed member and concurrently chief secretary of the Chekiang Provincial Government and in these capacities, has been responsible for many administrative reforms introduced into the province since 1929; address: c/o Chekiang Provincial Government, Hangchow, Chekiang.

Sheng Shi-yuan
沈士遠

T. T. Eugene Tseu, educator and writer; born at Huchow, Chekiang, in 1882; received his early education at home in Chinese classics, Chinese history, and other subjects; in 1901, when he was twenty, he passed the literary examinations for the degree of Ssiu-ts'ai,; later passed the examinations for salaried licentiate, 1902; after that year, he began his study of the English language, and other Western subjects; made friends with the Americans in his native city, from whom he learned much in the science and arts as taught in American schools and colleges; taught in the Virginia School, Huchow, (founded by the Southern Methodist Church) 1904-16; during the latter part of that period, he also held various positions at his native city such as, principal of Liu Yin Commercial School and secretary of the agricultural association; when the School of English of the Commercial Press Correspondence Schools was established in 1916, he joined The Commercial Press as a member of the English editorial department; appointed editor-in-chief of the English Weekly, a magazine published by Commercial Press in 1918; and a few months later he was appointed concurrently business manager of the Correspondence Schools; during this time he was responsible for the establishment of the School of Mathematics of the company; succeeded his brother as dean of the Shanghai University in 1915; served on the executive committee of the Huchow Association after its establishment, and in 1916 was chosen by the association principal of the Huchow Academy at Shanghai, which position he still holds; author and translator of many books, including. "The Specimens of Short Essays" and "An Outline of English Phonetics;" is known widely for his Chinese penmanship; address: Editorial department, Commercial Press Works, Chapei, Shanghai.

T. T. Eugene Tseu
周由廑

C. C. Wang (Wang Chia-cheng)
王家楨字樹人

C. C. Wang, government official; born at Shuangch'enghsien, Kirin, 1899; formerly member of the staff of the Chinese Legation at Tokyo; section chief of the Ministry of Foreign Affairs; secretary in charge of foreign relations at the headquarters of the commander of the Northeastern Border Defence Force; at present administrative vice-minister of the Ministry of Foreign Affairs, Nanking; address: Ministry of Foreign Affairs, Nanking.

J. Lo Pa-hong, merchant; born at Shanghai, Kiangsu 1873; a licentiate through competitive examination under the Ching regime; general manager of the Chinese Electric Power Co., Shanghai; member of board of directors, Chapei Hydro-Electric Power Co., Shanghai; member of board of directors, Chinese Water Works Co., Shanghai; general-manager of the Ta Tung Steamship Co., Shanghai; Chinese councillor of French Municipal Council, Shanghai; director of the Hospice St. Joseph, Shanghai; president of the Sacred Heart Hospital, Yangtzsepoo, Shanghai; president of the Union of the Catholic Action, Shanghai; managing-director of the Central Hospital, Peiping; visited Rome and was received and decorated by the Pope; Chinese delegate to the International Catholic Conference held in Chicago, U. S. A. 1927; commander of the order of St. Sylverster and knight of the order of St. Gregory the Great (conferred by the Pope); knight of the order of Leopold II (conferred by the Belgian Government); knight of the Legion of Honor (Conference by the French Government) address: Chinese Electric Power Co,, Nantao, Shanghai.

J. Lo Pa-hong —Joseffo
陸伯鴻

Anniversary of Sun Yat-sen's First Revolutionary Attempt

September 9 was observed in Shanghai and in China generally as the anniversary of Sun Yat-sen's first (and abortive) attempt to overthrow the Manchu government. While K'ang Yu-wei, Liang Chi-chao and other patriots were trying to save China by constitutional methods, urging the Emperor to introduce reforms by imperial mandate, Sun Yat-sen formed in Honolulu the China Revival Society. In 1895 with a few followers he crossed to China and smuggled arms from Hongkong to Canton, but the plot was discovered, the arms seized and Sun had to flee. He went to Europe and continued to agitate and at last in 1911 the Revolution became an actual fact, although Sun himself was not here to take part at the beginning of it.

Dr. Sun's attempt on the city of Canton was the first organized expression of that Nationalism which has spread throughout China in the last 35 years. The China Revival Society was the beginning of what today is the Kuomintang, the real government of this country. The revolutionary zeal of Sun Yat-sen and his attempt first to overthrow the Manchu rulers and then to oppose foreign imperialism of every kind has become the inspiration of thousands of Chinese patriots.

A Hitch in Sino-Japanese Culture Cooperation

The *China Times* (Chinese newspaper in Shanghai), in sketching the history of attempts to harmonize Chinese and Japanese culture, reviews the history of the Sino-Japanese Agreement regarding the disposal of the Japanese Boxer Refund in 1925, according to which an annual fund of $1,720,000 is to be devoted to financing the so-called Sino-Japanese Culture Cooperation, in which both Japanese and Chinese scholars take part. Since the Tsinan incident, however, the Chinese members resigned *en masse* as a protest. When the Chinese members withdrew, the Japanese acted independently. This matter is now brought prominently into notice by the completion of the construction of the new premises for the Natural Science Research Institute at Shanghai financed by the Japanese refund, in connection with which the Japanese Government has appointed certain university professors to take part in the inauguration ceremonies. The *China Times* calls this Japanese attempt to monopolize the Sino-Japanese Culture movement ludicrous, and suggests that if the Chinese Government is in a position to urge the Japanese Government to refund the entire Boxer Indemnity so much the better, but if not, the Chinese people should urge the cancellation of the so-called Sino-Japanese culture movement which to a certain degree infringes on Chinese sovereignty

Chinese Tenants Resist Attempts to Tear Down Houses

On the morning of September 10 some 200 "White" Russians, under the direction of foreign realty owners, went to Tsunming Road in Shanghai and attempted to pull down the buildings in which there were tenants who had refused to leave. This attempt at expulsion was met with strong reaction on the part of the tenants, particularly the Cantonese. A fight occurred, fortunately on a small scale, resulting in injuries to several Chinese. The Chinese tenants have, it is reported by *Kuo Wen*, appealed to the Kuomintang that orders be given for the deportation of the Russians who took part in the affray.

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Men and Events

Dr. W. K. Nance has returned from a vacation spent at Tsingtao.

Mrs. George F. Shecklen of Shanghai departed last week for Manila for a short vacation.

L. G. Cousins of the British-American Tobacco Company has returned to Shanghai from vacation.

The newly appointed American Ambassador to Japan, W. C. Forbes, sailed from San Francisco August 29.

Harvey Campbell, member of the staff of the National City Bank, departed from Shanghai for Hongkong last week.

A son, Markley, was born to Mr. and Mrs. Donald Roberts, of St. John's University, at the Country Hospital September 3.

The Chinese newpapers state that the Ministry of War is planning to remove its Army Engineering College from Hanyang to Nanking.

Ah Siu, a blind Chinese, and three Chinese children, met their deaths is a fire in Liverpool's Chinatown on the night of September 2.

A breach of the Yellow River dyke at Fan Hsien was reported at the beginning of the week. Hundreds of villages were inundated.

Dr. Yu Tsi-hua, of the Bureau of Public Health for Greater Shanghai, departed from Shanghai end of last week for Baltimore, Maryland.

L. J. Mead, district manager of the Standard Oil Co. of New York at Kiukiang, has returned to China from a business trip to the United States.

Garfield Huang, General Secretary of the National Anti-Opium Association of China, has issued a circular letter summarizing some of its recent activities.

T. V. Soong, Minister of Finance, proceeded to Tsingtao and Tsinan during the week. He is making investigations into financial questions at the latter place.

The Ministry of Communications has authorized the China Merchants' S. N. Company to charter several vessels to touch at Weihaiwei on the Tientsin-Shanghai route.

Albert Terry, agent of the Dollar Steamship Line stationed at Cebu, Philippine Islands, was in Shanghai last week on his way back from a vacation in the United States.

F. J. Raven of the Raven Trust Company, American Oriental Banking Corporation and associated enterprises returned from a business trip to the United States last week.

P. J. Prins, Far Eastern Manager of the Firestone Tyre and Rubber Company has returned to Shanghai from a trip to the United States, accompanied by his wife and family.

Rev. John O'Donnell, S. J., accompanied by Rev. Salvador, Rev. Dimano and Rev. Eliazo, sailed from Shanghai for Manila on the *President Pierce* on Saturday, Sept. 6.

The Chinese press states that the Hankow-Chengtu Air Mail and Passenger Service will be inaugurated by the China National Aviation Corporation about the end of this month.

Donald S. Riggs, of the American Express Company, returned to China end of last week from the United States, accompanied by his wife. Mr. and Mrs. Riggs are en route to Tientsin.

A new issue of postage stamps bearing pictures of Revolutionary Heroes will be on sale at all Chinese Post Offices on and after October 10, the National Independence Day of the Chinese Republic.

D. C. Holbrook, representative of the Truscon Steel Company at Singapore, is in Shanghai on his way home to the United States on a business trip. Mr Holbrook formerly resided in Shanghai.

Mr. and Mrs. George V. Monk are scheduled to return to Shanghai on or about October 10, after completing a honeymoon trip around the world. Mrs. Monk was formerly Miss Crystal Hug, of Carl Crow, Inc.

Miss Anita Bradley, Dean of Women at Kwanghwa University, and the Rev. Clarence Day, of the Hangchow Christian College, returned to China end of last week after a holiday spent in the United States.

The U. S. transport *Chaumont* sailed from Shanghai on Saturday morning September 6 carrying approximately 500 American naval, marine officers and men, who are being reassigned to posts in the United States.

Mrs. G. A. Fitch, wife of the general secretary of the Foreign Y. M. C. A. in Shanghai, has returned from a trip to the United States, accompained by her daughter Edith and three sons, Albert, John and Robert.

George F. Shecklen, representative of the Radio Corporation of America and adviser in radio affairs to the National Ministry of Communications, has returned from a business trip to Manchuria and North China.

Loring Pickering of San Francisco and New York, who organized the North American Newspaper Alliance, arrived in Shanghai end of last week. During his stay in Shanghai Mr. Pickering is the guest of Mr. and Mrs. Chester Fritz.

Senator Key Pittman's committee of investigation into the China trade situation began its hearings in Los Angeles September 5. Hearings in San Francisco have already been held. There will be similar hearings in other important West Coast cities later on.

The Rev. E. W. Luccock, pastor of Community Church, Shanghai, will address the congregation on Sunday morning, September 14 on the subject, "Whom Do You Seek To Please?" In addition to the sermon there will be a song, "The Ninety and Nine" by Dr. E. L. Hall.

Lloyd Arthur Free, son of Congressman John Donnan Free of California, arrived in Shanghai this week on his way to Peiping where he will join the faculty of Yenching University, Mr. Free is a recent graduate of Princeton University where he specialized in political science.

General Chang Hsueh-liang's celebrated collection of historic books, pictures and antiques, largely inherited from his father, is being displayed to the public at Shenyang for the first time, the exhibition being used to raise funds for the relief of the flood refugees in western Liaoning.

Property to an approximate value of $20,000,000 was destroyed by a fire which razed Chungking, Yangtsze River port, three weeks ago, In the city proper 2,700 homes were destroyed while 3,400 houses were burned in the suburbs. The fire was the worst that the city has ever experienced.

A. D. Williams, director of Public Works, and Vicente Fragante, Highway Engineer at Manila, passed through Shanghai this week on the *President Madison* on their way to the United States to attend the International Road Convention at Washington, as official delegates from the Philippine Islands.

Prof. C. F. Remer of the department of economics of the University of Michigan, who arrived in Shanghai last week for the purpose of making an investigation of China's international economic relations, is residing at 99A Jessfield Road and has an office at 50 Peking Road, care Elbrook, Inc.

The *China Critic*, the Chinese Economic Society, and the Chinese Statistical Society entertained Dr. Walter F. Willcox, Professor of Economics and Statistics, at Cornell University, and Professor C. F. Remer of the University of Michigan at a dinner party on Monday evening, September 8, at the Great Eastern Hotel.

Mr. and Mrs. Carl Crow of the *Shanghai Evening Post* returned to Shanghai on Friday, Sept. 5 from a four months trip around the world. They were accompanied by T. O. Thackery, who has been appointed editor of the *Post*. The office of the *Post* has been removed from Peking road to Nos. 15-17-19 Avenue Edward VII.

The Council of the International Entente against the Third International adopted several resolutions bearing upon the necessity of pursuing and completing the study of the Soviet policy of "dumping". It was decided to spread propaganda among the people of Europe denouncing the abnormal character of the Soviet attitude.

Charles F. Loomis, acting general secretary of the Institute of Pacific Relations at Honolulu, has written friends in Shanghai that he plans to depart from Honolulu during September for the Far East in order to make preparations for the next meeting of the Institute, which will be held in Hangchow, Chekiang province, next year.

Efrem Zimbalist, world famous violin virtuoso, and his accompanist, Harry Kaufman, arrived in Shanghai end of last week for a return engagement. Mr. Zimbalist is now touring the Far East for the fourth time in ten years. He gave a concert at the Embassy Theatre Saturday night. He has in the meantime departed for North China.

The American school in Tientsin having outgrown its original premises, has now leased a new school building. The "sunshine kindergarten" for small children of American residents of Tientsin has been put in a separate house, with its own playground. Five American teachers and several others of varying nationalities have been engaged to teach American children.

54-082

Tsui-Yee Pei, general manager of the Bank of China, who recently resigned as a Chinese member of the Shanghai Municipal Council, has departed on a business trip through the United States and Europe. It is stated that the Bank of China is contemplating establishing a number of branch offices and it is believed that Mr. Pei is making investigations with that end in view.

An attempt was made on September 3 to assassinate Gen. Li Tsung-jen, head of the Kwangsi faction, at his headquarters at Liuchow, Kwangsi province, according to a report from Hongkong on Sept. 6, which stated that three men opened fire on Gen. Li and seriously wounded Col. Chen, his chief-of-staff. The plot was said to have originated among Gen. Li's own men.

Manuel Roxas, speaker of the House of Representatives of the Philippine Legislature, who has been in Washington, D. C. for several months as head of the Philippine Independence Mission, was in Shanghai this week on his way back to Manila. While in Shanghai Mr. Roxas was entertained at a tea and reception at the Majestic Hotel by Dr. and Mrs. C.T. Wang of the National Ministry of Foreign Affairs.

A number of Chinese delegates to the forthcoming Road Congress at Washington, including Cheng Chen, Nationalist representative, departed on the *Empress of Canada* end of last week. On the same vessel was Koo Tsuen Long who is making a business trip to Chicago. He is connected with the Automatic Electric Company in Shanghai, as business manager, Richard Fong and Hwan Chang Chow are passengers to Victoria.

Prof. C. F. Remer of the University of Michigan will speak on the subject, "A Study of Foreign Investments in China," at a meeting of the Pan-Pacific Association on Wednesday, Sept. 17, the occasion being the annual celebration of "Balboa Day." Prof. Remer, who was formerly a member of the faculty of St. John's University, is now making an investigation on financial and economic conditions in China on behalf of the Institute of Pacific Relations.

Horace L. Gulick, American exchange broker and resident of Shanghai for eleven years, died of pneumonia at the Country Hospital on September 11. Mr. Gulick was a member of the firm of Gulick and Wentworth and resided with his mother and two children. He was 40 years of age and a native of Brooklyn. Funeral services were held on Sept. 12 with burial at Bubbling Well cemetery. Mrs. Gulick, who died three years ago, was Miss Joyce Merriman. of Shanghai.

A Sad Ending—He Didn't Subscribe!

To the Editor, *The China Weekly Review*:—

Words cannot sufficiently express the sensation of happiness I experienced on receiving a complimentary copy of your paper. I have profited very much by the reading of it, and felt that its contents contain numerous objects of supreme excellence, beauty, value, spirit. and attraction. It serves not only to develop our intellect, to enlarge our sympathy, to rouse our spirit, to promote our happiness, and to help us on in the race of life; but it leads us to profound learning, and gives us a way whereby to swell our bag of experience. Indeed, kissing a dear lover is not so sweet and pleasant as kissing this paper—*The China Weekly Review*.

I am very sorry that I cannot enter my name as a subscriber now. The reason is this: my school has a magazine room which is provided with all kinds of magazines, English and Chinese. And the *China Weekly Review* is of course among the number. Often my leisure hours are spent in reading it. It is ever my longing that I shall be able to enter my name as a subscriber in the near future.

Old North Gate, Shanghai, Sept. 8, 1930.

A STUDENT

NOW IN CHINA!
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In the United States Court for China

GALINA POHLMAN,
Plaintiff,
vs
WILLIAM CARL POHLMAN,
Defendant.

Cause No. 3306
Civil No. 1461
ORDER
Filed at Shanghai, China,
August 28 1930.
L. T. KENAKE
Asst, CLERK.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys on the 28th day of August 1930, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 28th dayof August 1930, the summons for defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, at appears from the files in this case that of the 28th day of August 1930, Galina, Pohlman the plaintiff herein, filed an affidavit to the effect that defendant does not reside in China and his last known address to her was, c/o U.S.S. Canopus S-38.

NOW, THEREFORE, it is this 28th day of August 1930, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW" a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 20th day of September 1930, the day of last publication of this Order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT:

Dated at Shanghai, China,
August 28th 1930.

MILTON D. PURDY
JUDGE

New Books of Interest in the Far East

The Story of the New China

The Legacy of Sun Yat-sen, by Gustav Amann and translated by Frederick Philip Grove. 300 pages. Published by Messrs Louis Carrier & Co., New York and Montreal.

What may be safely described as the greatest revolutionary movement in history is the drama of China. This drama enacted as it was by personalities within the Celestial Empire, who were fighting for freedom of thought and action for their fellow countrymen and women, has never been fully understood by Western countries simply because such knowledge as was available during the processes of revolution were assimilated by the digestion of news despatches.

In Dr Amann's book the history of the revolution in China, with all its complexities, is recorded with that degree of accuracy, lucidity and impartiality of the detached student of international affairs. Therefore the reader not only has an exceptionally clear picture of the political and economic factors which characterised the movement, but he or she also acquires a well-defined description of the spiritual background from which these events arose as an inevitable process of development.

The world has never had such an unvarnished narrative of political and economic events in the Far East. The value of Amann's work lies in its penetrating knowledge of all the acting personalities, it is true with European eyes, but yet founded on the historical Confucian maxim that all knowledge arises from truth. In spite of honest endeavour, the works of such prominent observers as Gilbert, Malone and Rea have never reached the real independence of Amann.

Amann was perhaps the only European who stood near enough to the events of 1926 and 1927 in China to be able to describe them in their inner connections and who, at the same time, strove so honestly after truth and justice as to be able at least to adumbrate that truth through that web of misrepresentation of fact which hid it from contemporary eyes.

Admittedly. Amann has not succeeded in grasping the truth firmly. He is not just in his references to Chiang Kai-shek or to the successors of that old reprobate Yuan Shih-kai. Before picking up the book the reader should know this in advance. What Amann's book requires is a few finishing touches so that it can be dove-tailed into the totality of contemporary history at that particular point where it forms an indispensable and necessary link.

Amann's ability to feel his way so perfectly into that state of mind of the Kuomintang leaders and to describe their situation in such a way that it becomes clear, not only to the retrospective historian of a generation hence, but even to the politician who advaces into the unknown, into fluid circumstances that is his own personal achievement. Thus we can investigate with unusual clarity-as we investigate an uncovered switch-board the wrong connection made and the short-circuits, in addition to the possibilities of avoiding them in the future—the position of the wires and the intentions of the wire-pullers within the Young Chinese magnetic field. Nobody but Mr Amann has so far given us that possibility; so for that very reason alone we cannot pass this book by as a source of contemporary history—even though it may awaken all sorts of objections through the philosophy of life expounded and defended.

In very few great movements of modern history have we so clear a discussion of what was urging their leaders on, written almost at the same time at which these events took place. Amann's story, as Karl Haushofer says in his introduction, takes us from the struggle of the Chinese state socialism at Canton against the world trade center of Hong Kong, to the advance through Honan, against Hupeh, through Kiangsi, against Fukien and the mouth of the Yangtze, including Shanghai; via the political and military organization of the trade unions and the present movement, to the temporary transfer of the government to Wuchang and to the miracle of the organization of three hundred millions within the frame of the south; to the partial capitualtion of the great colonial powers of the west before the renewed spirit of China; and to the inner causes of its great break-down following such dazzling initial success. It shows up the inner levers that brought about the events, down to the intellectual and spiritual impulses within the acting personalities; it does so, it is true, with predilection, but also without that false fear of touching upon prestige.

Dr Amann furnishes the reader with an embracing view of the recent events which have brought this turbulent nation of the Orient again to the eyes of the world. In this work for the liberation of a people and of the self-determination of national character, Amann has helped honestly and faithfully. He has given his testimony to the finest liberating movement of present times—a testimony which nobody can overlook or pass by who desires to see clearly into the political game of forces going on to-day in the Far East.

One gathers from the whole story of Sun Yat-sen's part in the Chinese revolution that Sun wanted to combine organically the Old and the New China. His new spirit was a social and national spirit; in his Chinese nationalism he wanted to see what was best in the national spirit of the country, Confucian morals, its family spirit, and the high value placed on spiritual things, as opposed to material things, saved and preserved for the new thing which was growing. Anti-religious Russian communistic ways, a Bolshevik dissolutions of family and the hearth were alien and hostile to his spirit. But he admired in Lenin the man who, as the author says, had suffered for his people.

Even up to the time of his death Dr Sun was a Christian, but the Christians showed themselves to him in China chiefly in unchristian egoism. It is really tragic how, according to the story told by the author, he kept begging in vain for help to come in his work from Christian countries. Nobody would understand him. Under the circumstances it is not surprising that he allied himself with Lenin. But what a contrast in personalities! Sun the Chinese Christian and Lenin the European pagan! It was an alliance of the greatest spiritual contradictions. As long as this peculiar arrangement lasted, no organic growth could be fostered. Just as the Government of Imperial Germany was punished for the fact that Lenin and Trotsky were sent in armored cars through Germany to Russia, so the same Germany was punished when Joffe established a hearth of revolutionary propaganda in Berlin. Thus Sun Yat-sen's work was punished for the fact that he sought an alliance with Lenin and allowed Borodin a large sphere of action in China. When we examine the recent history of German communism and Socialism we find that Germany conquered that Bolshevist revolution which began in 1918, with its soviets of workmen and soldiers as early as 1919, building from its ruins a democratic republic by connecting it organically with ancient culture. Chiang Kai-shek and his colleagues have undoubtedly drawn a lesson from that fact and they have been able to build upon the ruins of the revolution. Chiang is certainly serious about the organic connection between the new things in China and the old.

Now and again Dr Amann give us some of the life of Sun Yat-sen which have never been made known to the world before—cameos which enhance the charm of his book give us better knowledge of the soul of that great reformer. In conclusion one might say with regard to the Chinese that in spite of their magnificent culture the nation cannot remain healthy without theology, By economic measures alone, by the organization of a political and social party alone, by force of arms alone, nothing can be accomplished without a deeply rooted religion. The greatest task confronting the leaders of China is to give a new form of life to a nation of 400,000,000 who have been suddenly hurled into new surroundings.

China can only be saved from that bloodshed and misery into which she is again plunged, by the inculcation of theological doctrines and that building spirit of ancient Rome in her people, and by that faith in herself which is so indispensable to progress.

H. B. C.

History of Alaska

History of Alaska, by Henry W. Clark. The MacMillan Company, New York, 1930, G$2.50. Illustrated.

The author, in his preface, tells the reader that this is *a* history of Alaska and not *the* history. But what an interesting history it is! It brings to the casual reader a glimpse of the romance and reality of that portion of the American possessions about which so little is taught in schools, and about which publicity has been limited to gold strikes and disasters because of climate.

Mr. Clark was born in Alaska and lived there for some years, then went to Harvard University to study. At the suggestion of Prof. Edward Channing, the historian, he decided to attempt to picture the people and true perspective of Alaska's place in the world of today.

Instead of giving a comprehensive and laborious account of Alaska, we find the author has given us a well balanced view of the territory. There is no politiacl

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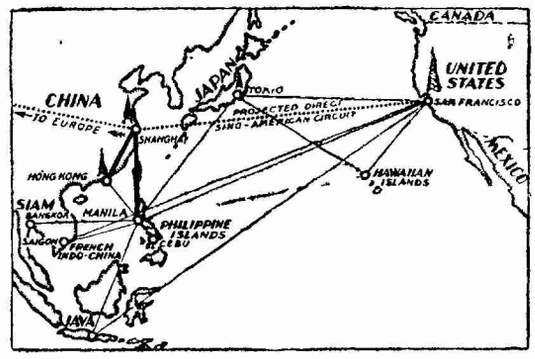

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rancor or bias and it appears that Mr. Clark really enjoyed collecting the material for his book.

An interesting feature is the inclusion of photographs, chosen to give a comprehensive view, pictorially, of the high lights of Alaskan history. A picture of Nome Beach at the height of the gold rush era, covered with tents and boats, will remind many of the current of excitement which ran through them at the news, at the beginning of the Twentieth Century, that gold was being picked up on the beach at Nome. In two months a million dollars was gathered from the beach.

Mr. Clark tells us of the geography, climate and ethnology of Alaska, its discovery and Russian occupation. Following the purchase by the United States was a period of neglect before the "rush" started. The last chapter tells of modern Alaska's social, economic, intellectual aspects and problems.

M. V.

Dostoyevsky's Letters to His Wife

The Letters of Dostoyevsky to His Wife. Translated from the Russian by Elizabeth Hill and Doris Mudie. Richard R. Smith Inc. New York, 1930. G$5.00. 2 illustrations; 391 pages.

Dostoyevsky was married twice, and these letters are to his second wife, Anna Grigorievna, who preserved them and made many careful annotations, explaining allusions, pet names and the like. The psycho-analyst of today will find a fertile field in the letters,.

It is difficult for the reviewer to conceive the writer of the letters to be the writer of *The Idiot* and *Crime and Punishment*, except for certain characteristics of the writer and some of his characters. Dostoyevsky, in his letters, shows himself to be a petulant, unhappy, gambling epileptic. He scolds his wife because she will not borrow money from the priest to pay for his treatments in Petersburg clinics— his wife having sent him her last cent. He goes to German resorts and writes Anna each day for money and more money so that he may gamble it away instead of purchasing a railway ticket home.

At the spas no Russian there is quite his equal; they all try to force themselves on him because he is a famous writer, and the German members of society who are at the baths and drinking, to the water are Dostoyevsky, on of account. Many of the letters are filled with intimate fussy details of the care of the home and the children and whether other people are treating his family in what he considers is the way they deserve..

In short, the letters of Dostoyevsky to his wife are extremely interesting in that they give one such an insight into the character of the man, showing him to be a most curious combination of maladjustment and naivete.

M. V.

Filipinos Have Excellent Educational Opportunities

The Director of Education of the Philippine Islands has issued his report for 1929, in a volume of 170 page. Even a cursory glance at the report reveals what a wonderful educational work is being carried on under American auspices in the Islands and when one reads of the manual training schools, the agricultural schools, and the various other educational activities placed at the disposal of Filipinos one has to come to the conclusion that they have a better opportunity to secure a good education than have many American children at home in the United States

Recent Pamphlets Received

Pacific Affairs, published at Honolulu by the Institute of Pacific Relations, in its September issue publishes, among others, the following articles:— Mei Lan-fang in America, by Edward C. Carter; The Open Door, by Paul Hibbert Clyde; The London Naval Treaty, by Graham H. Stuart; The Pacific and the International Labor Conference, by Elizabeth Green; and Japan and Manchuria, by Hsu Shu hai.

Vol LXI-1930 of the *Journal* of the North China Branch of the Royal Asiatic Society has just been published. It contains 218 pages of valuable matter. Among the contributors are: Dr. John C. Ferguson, Emil S. Fischer, Dudley Buxton, Prof Giovanni Vacca, Dr. Evan Morgan, Herbert Chatley, Prof W. E. Soothill, Percy Bruce, Mrs. Florence Ayscough, Arthur Paul Jacot and Dr. Erich Hauer.

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In the United States Court for China

In re. Estate of ALBERT BURT MACLEAN, Deceased	Cause No. 3297 Special Proceedings No. 727 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Albert Burt MacLean, deceased, to present the same with vouchers to the undersigned on or before March 13, 1931, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China. Alice Mae MacLean
September 9, 1930. Administratrix,
c/o H. D. Rodger, Esq.,
6 Kiukiang Road.

54-086

Shanghai a "Melting Pot"

BY ROSE LEIBBRAND

(China Critic, September 4)

There is no city in world, perhaps, where there is found such a diversity of races and nationalities living together in an international community as in Shanghai. In any large port city representatives of almost every nationality and race under the sun will be found, but in Shanghai we find a unique situation that has no parallel in the annals of contemporary history.

First of all the geographical setting of Shanghai gives it an advantage as one of the great commercial crossroads of the world. Just now it is the open gateway to one of the richest and in comparison least developed countries in the world today. The markets of the world are looking to China for certain supplies and other commercial interests are looking to China as a potential market for the absorption of an oversupply of commodities.

Then, we find in Shanghai what is probably the only city in the world that is an independent free state as it were. It has its own soldiery, distinct and unattached from any national military; it has a police force that is made up largely of Sikhs from India and Chinese, but all officers are foreigners, and the police corps bears more similarity to an army than to a city law enforcement group; it has armored cars, machine gun units, and small cannon as armament for the Shanghai Volunteer Corps; this group of soldiers has full-time paid officers and regular periods of drill and gunnery practice. The French Concession is a little differently managed than the International Settlement and there the constabulary forces are more closely allied to the military of France.

There are 21 distinct nationalities in Shanghai with a few scattered representatives of other principalities. There are at least four races intermingling, fraternizing somewhat socially, but in some cases marriage has taken place with varied results. We find here the Yellow Race as represented by the Chinese and Japanese; the Brown Race by the Filipinos; the Negro Race by a few scattered individuals; and the White Race by the British, Americans, Russians, French and other nationals of Caucasian origin.

Marriages Between Diverse Races

Here we see as perhaps we see it nowhere else in the world in such a degree the results of the intermarriage of diverse races, with a social system utterly alien. The Eurasians in Shanghai number thousands, and live in a section of the city by themselves. They often call themselves Portuguese, but in reality they are in general, half yellow and half white racially. Their situation is heart-breaking in their segregation and in being called "half-castes." They are rapidly developing a social life of their own, intermarry among themselves and whenever possible do business among themselves.

These Eurasians are in many instances trained for stenographers, accountants, or bookkeepers, but they meet a competition so severe that it is almost annihilating. The Eurasian stenographers find competition with the British and American girls not only keen, but unfair, the latter being paid double wages, while doing far less work. The accountants and bookkeepers find competition with the Chinese impossible as the latter can live for so little that the Eurasian finds his salary insufficient to maintain a decent standard of living.

There is some justice when a foreigner is worsted in competition with Chinese, as the former is somewhat in the nature of an intruder, but these Eurasians are born in Shanghai, and this is their rightful home, so they have a natural right to demand equal consideration both from foreigner and Chinese—a consideration they do not receive, There is a fundamental, biological background for this discrimination. In order to understand the "melting pot" situation in Shanghai it will be wise to consider what race mixture involves and its probable consequences.

What does biological science know of the consequences of mixing races? This science has gathered through experiment much positive knowledge of the results of intermixing diverse types of organisms. The extensive knowledge of the science of genetics provides a solid foundation for understanding the effects of mixing diverse races. Race mixture consists essentially in putting together, into single individuals, genes that separately yield very diverse results. What results follow?

No incompatibility of chromosomes in men exists, individuals of any two races having 48 chromosomes.

These work perfectly together, both in forming vigorous offspring, and in the much more delicate test of later uniting to form germ cells in these offspring. With respect to the main features of physical structure and of physiology, the offspring of parents belonging to diverse races are as perfect and as sound and efficient as the offspring of members of the same race.

It is further true that in their chief features the later structures and physiological functions resulting from the genes of one race of men are not incompatible with those from the genes of other races. The two sets of structures and functions can unite in a single individual to make an efficient physiological machine; at least, with respect to the great biological functions involved in nutrition, respiration, nervous action, reproduction and the like.

The social side of this question is probably more pertinent to a study of Shanghai conditions, but the biological background is the necessary basis from which to attain a knowledge of the course of human behavior. One important question that is not asked as often in Shanghai as it is answered by certain actions is, are certain races superior?

Shanghai-ites need to give more careful and detailed consideration to this question, as a fair-minded judgment would elimiante much "die-hardism" and unequal treatment. Judgments of superiority and inferiority must of course rest on relative fitness for certain purposes, and operations under consideration. There are many differences in efficiency that all will agree will signify superiority. Feeblemindedness is inferior to the normal mind; blindness is inferior to sight. In general, higher degrees of sensory acuteness are superior to lower degrees. It has been found by experimentation that blacks studied were superior in the matters that affect musical ability; the whites in matters of judgment of adjustment to conditions. These differences become for the races concerned the all-important fact in race mixture.

Hybrid Misfits

In Shanghai we find ample case studies of the immediate consequences of race crossing, which, for good or evil, depends on the degree of diversity of the social sytems. When the two races have extremely diverse social systems as the Asiatics and Europeans, or the British and the American Indians, the hybrid individual is a misfit in either social system. The hybrid finds himself an outcast, in a most unfortunate situation. The tragedy lies in the fact that he may not be essentially and fundamentally unfit, as compared to either of the two single races from which he came.

It is interesting to watch the development of the Eurasian group in Shanghai for if such hybrids could start even with members of the single races, each developing his own social system, it is very probable that the hybrids would be as valuable and as worthwhile as the others. The difficulty is quickly recognized where the hybrid comes into a world where the social systems are already molded into very diverse forms, for then the hybrid is at a serious disadvantage. Fortunately, biology finds that over a consideration of a thousand years or more these divergent difficulties are, after all, only transitory, though they present serious barriers while they last to the happiness of thousands of "half-castes."

America is a good example of the "melting pot" where the mixture occurs among races which, though different, do not show marked superiorities and inferiorities in important respects, and under conditions where hybrids have an opportunity to attain equality of social standing in a comparatively short period of time. In those cases the consequences result mainly from the fact that the diverse racial characteristics appear in many new combinations. Some of these arrangements of characteristics will be advantageous and some will be disadvantageous.

If one race has greater activity and energy, the other artistic ability, some of the offspring may have both: they may be geniuses. Other offspring will get lack of energy from one race, lack of artistic ability from the other. Such a population derived from a mixture of races having such diverse characteristics will be much more heterogeneous than a population from a single race. In the long run, there is selective elimination of the inefficient combinations, so that finally a race emerges that is again relatively homogeneous, combining characteristics from all the original races.

Shanghai is a gigantic experimental station for the observing of blended races, living in a unique environment, exposed to all the social customs of all the nations of the world. Just now, there is a false superiority attitude of mind on the part of foreigners who have lived in China for a number of years, but the younger business men are

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Peiping-Liaoning Railway

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more tolerant, and more amenable to living in a heterogeneous society. Through athletics, in which participation is enjoyed by all nationalities, there has come a respect and toleration for other racial representatives, and this may be an excellent gangplank for a disintegration of the "die-hard" attitude of mind.

In New York one of the the most interesting of all places is the International House. Here we find students from every corner of the globe fraternizing together. There are discussion groups for the thrashing out of questions pertaining to international relationships in society, politics and commerce. Here is a true "melting pot" for young intellectuals, the leaders of the future. Shanghai might do very well to organize such an International House, that is hotel, restaurant, club, gymnasium, library and school put together.

Some efforts have been made along the line—a tiffin club that is international in its membership—the International banquet for girls, sponsored last year by the Y.W.C.A. These are all straws pointing to a happier future, where international tolerance and sympathy will be found in one af the most cosmopolitan cities in the world. Shanghai, first of all cities in the world, has it within its power to demonstrate for all time whether, or not the "melting pot" is merely a glorious experiment, or a true cycle in the evolution of the races.

Great Races Grow and Die

(Literary Digest, August 2.)

The race that is great to-day may be very small potatoes indeed to-morrow.

Claims of exclusive racial superiority, for Nordics or for anybody else, are scouted by Prof. Fay-Cooper Cole, anthropologist of the University of Chicago, in a radio talk given recently under the auspices of Science Service.

Claims to racial superiority, Professor Cole said, as quoted in *The Science News Letter* (Washington), are quite definite things, and can be definitely investigated. If they are true, history will bear them out. But, he continued, history does no such thing; instead, it shows a procession of "Great Races," who succeeded each other through through the ages, each people in its turn imagining itself to be the culmination and apex of all human history. He proceeded:

"In 2500 B. C., Egypt led the world. It was further advanced in all the arts and crafts of civilization. Had you asked the Pharaoh of that period if there was a superior race of people, he doubtless would have said, 'Certainly, and we are it.'

"At about that time a Mediterranean people were developing a civilization on the island of Crete, but they did not rank with the Egyptians of the time. By the year 1500 B. C. they had progressed far beyond the civilization of the Nile, and by every right they could have proclaimed themselves a superior people.

"This was just at the time the rude barbarians from the north, the tribal kings of the Odyessy and the Iliad, were pushing into Greece. Had you sought to compare these rude herdsmen with the Cretans of the Minoan period, you would have been laughed to scorn. Yet they overcame the Cretans, borrowed liberally of their culture, intermarried with them, and by the year 500 B. C. this mixed population produced the golden days of Greece.

"Surely they were the dominant people of that age.

"By the beginning of our era Rome had wrested the leadership from Greece, and was attempting to subdue the rude barbarians of the north. If you wish to learn what the Romans thought of our ancestors in central and northern Europe and in the British Isles, just read again your Cicero and your Caesar.

"There was no doubt in the mind of the Roman but that he belonged to the great race. But the northern barbarians showed themselves capable of learning, and ere long they overthrew Roman power, and are now the leaders of civilization.

"Apparently then the fact that a nation or race is dominant at any particular time is no assurance that it will retain the leadership. Archeology and history teach us that civilization has shifted from one region and people to another, and that the less advanced people of one period become the leaders in another age.

"The presence of many races and peoples in America does raise real problems, problems requiring the greatest statesmanship and tolerance.

"Race mixture will continue, we will become more of a hybrid people than we are at present, but if we scan the history of the past, or consider the known facts of race and race mixture, we need have no fear for America of the future."

Abortive Negotiations for Peace in India

Lord Iriwin, Viceroy of India, held a meeting at Poona with the principal Indian leaders last week with a view to arriving at a peaceful settlement of outstanding questions in that country. The negotiations however proved abortive. The Nationalist leaders insisted that no solution would be satisfactory to them unless it were recognized that India had the right to secede from the British Empire. One essential they insisted on was a complete National Government responsible to the people, the government to control the defence forces. Although the Indian leaders said that the civil disobedience campaign might be called off if the terms of an agreement were arrived at, the picketing of foreign cloth and liquor shops and the illicit manufacture of salt would continue. Other demands made by the Indian delegates were: The release of political prisoners not guilty of violence; the refund of fines; the reinstatement of village officers who have resigned or have been dismissed, and the repeal of all special Ordinances.

The Indian leaders further demanded that the composition of the Round Table Conference in London and the Indian representation on it should be only decided after the settlement of the foregoing so-called "preliminary" demands. Lord Irwin in replying, stated that he regretted the tone adopted by the Nationalists and declared that no useful purpose would be served in attempting to deal with the suggestions in detail as the proposals were impossible. Lord Irwin added that if the civil disobedience movement were called off the special Ordinances would be withdrawn.

Comment in London

The *Daily Herald* is of the belief that, "with wisdom on both sides, success may still be secured." It urges the British Government to make plain that the Round Table Conference has been summoned to arrange, with essential temporary safeguards, for a self-governing India and that the conference will not be confined within the frontiers of the Simon Report. The paper urges the Congress, "on that promise and on the condition that political prisoners are granted an amnesty," to call off the civil disobedience campaign and participate in the conference.

The Times says that, in their letter to the Viceroy, the three prisoners (Gandhi, Motilal Nehru and Jawaharalal Nehru) laid down conditions which would have been more appropriate if imposed by the leaders of a partially successful millitary revolution; they demanded the Government's complete surrender. The *Times* pays a tribute to the patriotic efforts of Sir Tej Bahadur Sapru and M. R. Jayakar and says that the Government of India was fully justified in assisting them to its utmost.

"It was desirable," the *Times* continues, "that the Congress should be represented at the Round Table Conference, but the presence of their delegates is not indispensable, and the Government and their cooperators can continue the preparations for the meetings in London with a clear conscience."

Bomb Throwers Sentenced

Sira Juddin and Abdul Rama were sentenced at Bombay September 5 to seven years rigorous imprisonment each in connection with the two bomb explosions in the Byculla hand Masjid stations early on the morning of April 12. The first explosion occurred in a Bombay-bound local train and the second in the 3rd class waiting-room at Byculla station. There were two casualties.

British Blame U. S. Movies for Unrest of India

The British in India are more and more blaming American movies for the protest against British rule, according to a dispatch by Charles Dailey, *Chicago Tribune* correspondent in Bombay. Everywhere in Asia American films are preferred by the patrons,—in Samoa, in New Zealand, in Australia, in the Straits Settlements, and in Burma, as well as in India. Nine out of ten films shown—even down to the news movies—are American.

Now the British are crying that "American rubbish is being dumped in India." Here are some excerpts from a card writer in a recent issue of the *Times of India*, the leading British newspaper in India:

"How much longer are we in India to be subjected to the dumping of inferior, undesirable American films upon us? It is no exaggeration to say that at least 60 per cent of the American films are entirely unsuitable to an eastern country, where the bulk of the population are either entirely or almost entirely ignorant of the lives and mode

54-088

of living of people in European countries. The undesirable type of American films has done in India directly or indirectly an immense and irreparable amount of harm to British prestige. Why cannot decent and true to life British films be shown out here and given a chance? If Americans want to see seventh rate, undesirable, unwholesome films, let them keep them in America and see them there. Neither Great Britain nor her colonies should be used as dumping grounds for American refuse."

Despite the protests in the papers, however, the theaters seem to be filled with people who pay good money to see the so-called "rubbish.

An Lo Cotton Mill Extends its Production

The An Lo Cotton Mill, established several years ago in Shanghai by Yu Yeh-fu, has during the last year been extensively developed by increasing capital, installing modern machines and employing a number of experts. Its head office is at the corner of Foochow and Nanking Roads, branches being maintained at Nanchang, Ningpo, Hangchow, Singapore and Hongkong. It manufactures the "Eye" brand of towels and underwear, which enjoy a large market and an excellent reputation not only in China, but in the East Indian Archipelago.

Hu Men-Chia Succeeds Pei Sung-sun as Chinese Councillor

Following the resignation of Pei Sung-sun, Chinese Councillor on the Shanghai Municipal Council, the Chinese Ratepayers' Association held a meeting September 5 and elected Hu Men-chia to succeed Mr. Pei. Mr. Hu is a native of Chekiang, aged 43 and a graduate of Birmingham University. He is now General Manager of the Bank of Communications and one of the directors of the Land Bank of China.

Douglas Jenkins to Act as Consul-General in Shanghai

Douglas Jenkins, American Consul-General in Canton, has been appointed to act as American Consul-General in Shanghai during the six months' absence on leave of Edwin S. Cunningham. Mr. Jenkins all arrive in Shanghai beginning of next month. Mr. and Mrs. Cunningham are due to leave Shanghai for America on the *President McKinley*, October 10.

2,750,000 Ounces of Silver Imported into China During August

A total of 2,756,890 ounces of silver was imported into Shanghai and Hongkong during August. This shows a decrease as compared with last August, of a year ago (before the ban was in force), but a decided increase compared with July. Of the above America contributed 2,633,610 ounces; other countries, 123,280 ounces.

H. B. Campbell

46 Szechuen Road,
Shanghai.

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National City Co. Gold Bond Quotations Received From Head Office

September 11, 1930.

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	177	——
Argentine Government	6 % May 1, 1960	96	6.30
U. S. of Brazil	6½% Oct. 15, 1957	73¼	9.20
Chicago Rapid Transit Co.	6½% July 1, 1944	93	7.31
Republic of Costa Rica (Pac. Rwy.)	7½ Sept. 1, 1949	98	7.70
German Central Bank for Agriculture	6 % Oct. 15, 1960	80⅞	7.63
Kingdom of Italy	7 % Dec. 1, 1951	98¾	7.11
Japanese Government	6½% Feb. 1, 1954	105⅜	6.07
Lautaro Nitrate Co., Ltd., Conv.	6 % July 1, 1954	79½	7.92
National Hotel of Cuba, Income Debs.	6 % Sept. 1, 1959	80	7.74
Norwegian Hydro-Elec. Nitrogen Corp.	5½% Nov. 1, 1957	94¾	5.89
Republic of Peru	6 % Dec. 1, 1960	67	9.28
State of Tennessee Central Rwy.	6 % April 1, 1947	96	6.39
Anaconda Copper Mining Co.	Common Stock	48¾	—
Beaux-Arts Apartments Inc. $6 1st. Pfd. Stock &	Common Stock	90 per unit	
Belgian National way. Pcptg. Pfd. Stock	6 % (Amn. Shares)	81⅛	7.40
Cannon Mills Co.	Common Stock	23	—
General Italian Edison Electric Corp.	Common (Amn. Shares)	35	—
General Mills, Inc.	Common Stock	46	—
General Motor Corp.	Common Stock	46½	—
Pennsylvania Railroad Co.	Common Stock	74⅞	—
Standard Oil Co. of New York	Common Stock	31	—
United Aircraft & Transport Corp.	Common Stock	64⅝	—
United States Steel Corp.	Common Stock	172⅛	—
Pennsylvania - Dixde Cement	$7 Cum. Pfd. Stock	42	—
Cuban Dominican Sugar	7½% Nov. 1, 1944	30	—
State of Minas Geraes Series A	6½% Sept. 1, 1959	71½	9.37
Rhine Westphalia Electric Power Corp.	6 % April 1, 1955	90	6.85
Republic of Chile	6 % July 1, 1963	89¼	6.82
American I.G. Chemical Corp. Conv. Debs.	5½% May 1, 1949	108¼	4.82
Ilseder Steel Corp.	6 % Aug. 1, 1948	85¼	7.50
Saxon Public Works	6½% May 1, 1951	92½	7.21
Republic of Finland	5½% Feb. 1, 1958	88	6.44
German General Electric	6 % May 1, 1948	95⅞	6.40
Pennsylvania Dock & Warehouse C.	6 % Aug. 1, 1949	95½	6.41

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 % 1925	64½	—
Chinese Govt. Re-org. (£) Loan Stamped	5 % 1913-60	61¾	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913-60	60	—
Chinese Govt. (Crisp Loan)	5 % 1912	38	—
Shanghai Nanking Railway	5 % 1904/08	52½	—
Shanghai Hangchow Ningpo Railway	5 % 1908/38	71½	—
Hukuang Railway	5 % 1911/1951	22	—
Tientsin Pukow Railway	5 % 1908/06	22	—

NOTE: The above quotations are received by cable, and whilst believed to be correct, are not guaranteed.

Exchange Circular for week ending Wednesday, 10th September, 1930.

This week there has been a denial from the Indian Government of a rumour, that gained credence, of the intended sale of 40 million ounces of silver, a matter that threatened to depress the market considerably.

On the whole, and rather against the opinions of many in influential quarters, rates this week have been well maintained, as can be seen below, and the speculators have successfully managed to cover some of their oversold requirements, and carried forward from October to November/January. Export paper remains scare. We hear of the fixture of 22,000 tons of Beans.

Silver:—On the 4th inst. opened at 16 7/8d. spot and forward, and closes to-day at 16 5/8d.

China is reported as having both bought and sold, but principally a buyer.

Exchange:—The official rate for T/T on the 4th inst. was 1/6 7/8d., raised on the 5th inst. to 1/7 1/4d. at which it now remains.

The market opened steady on the 4th inst. at 1/7 1/4d. and G. $39 for T/T on London and New York; 4 m/s Credits at 1/7 1/32d and G. $40 1/8, Yen Cross rate 49 1/4, Yen 126 1/4, Gold Bar 564 20. A firmer tone developed, and at the close 1/7 3/8d. and G $9 3/8 were obtainable.

On the 5th inst. firmness was maintained, and though business was meagre amongst merchants, speculators were busy, and 1/7 7/16d. to 1/7 1/2d., and G. $39 1/2 to 39 9/16 was the general business rate. The Gold Bar had declined to around 555.

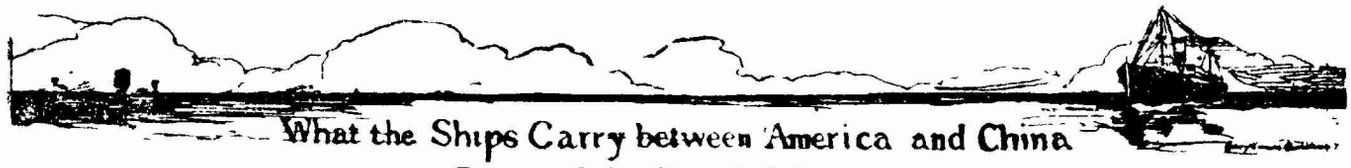
Our stocks of silver are reported as follows:—

Sycee and Bar Silver ... ... Tls. 114,188,000 a decrease of Tls. 999,000
Chinese and Mexican Dollars ... ... $ 149,020,000 a decrease of $1,250,000
Estimated value Tls. 221,482,000 as against Tls. 187,369,000 held at this time last year.

	Average rates for Sept.	Thursday Sept. 4	Friday Sept. 5	Saturday Sept. 6	Monday Sept. 8	Tuesday Sept. 9	Wed Sept. 10
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T on London	1/6.650	1/6 7/8	1/7 1/4	1/7 1/4	1/7 1/4	1/7 1/4	1/7 1/4
D/Dfts ,,	—	1/6 7/8	1/7 1/4	1/7 1/4	1/7 1/4	1/7 1/4	1/7 1/4
4 m/s ,,	—	1/6 13/16	1/7 5/16	1/7 5/16	1/7 5/16	1/7 5/16	1/7 5/16
T/T India	104,760	106	108	108	108	108	108
T/T France	961,760	973	992	992	992	992	992
T/T On N.Y.	37,800	38 1/4	39	39	39	39	39
Demand		38 1/4	39	39	39	39	39
T/T Hamburg R. M.		160 1/2	163 1/2	163 1/2	163 1/2	163 1/2	163 1/2
T/T H'kong	84 050	83 1/2 nom.	83 3/4 nom.	83 1/2 nom.	83 3/4 nom.	82 3/4 nom.	82 3/4 nom.
T/T Japan	130 610	129	126 3/4	126 3/4	126 3/4	126 3/4	126 3/4
T/T Batavia	93 910	95	96 3/4	96 3/4	96 3/4	96 3/4	96 3/4
T/T Straits	149.010	147 1/4	144 1/4	144 1/4	144 1/4	144 1/4	144 1/4
Bk's buying rates 4 m/s B/L. Cred. D/A	1/7 650	1/7 7/8	1/8 1/8	1/8 1/8	1/8 1/8	1/8 1/8	1/8 1/8
4 m/s ,, D/P	—	1/8	1/8 1/4	1/8 1/4	1/8 1/4	1/8 1/4	1/8 1/4
6 m/s ,, B/L Cred D/A	1/7 900	1/8 1/8	1/8 3/8	1/8 3/8	1/8 3/8	1/8 3/8	1/8 3/8
4 m/s B/F Cred D/A or D/P	1,018.000	1035	1050	1050	1050	1050	1050
4 m/s N.Y.Lc.	39.550	40 1/4	41	41	41	41	41
4 m/s ,, Doc	—	40 3/4	41 1/2	41 1/2	41 1/2	41 1/2	41 1/2

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Sept. 4	Sept. 5	Sept. 6	Sept. 8	Sept. 9	Sept. 10
Bullion,						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	16 7/16	16 9/16	16 3/4	16 10/16	16 5/8	16 5/8
**New York Price of Bar Silver per oz. (Pure)	G.$.35 1/2	G.$.36	G.$ 36 1/8	G.$.35 3/4	G.$ 36 1/8	G.$.36 1/4
Shanghai Price of Gold Bars (weight Tls. 10 (Chau-ping) 978 touch)	Tls. 558.00	Tls. 556.40	Tls. 562.70	Tls. 562.40	Tls. 561.00	Tls. 561.80
Shanghai Silver Bars (weight Tls. 100 (Canton) 999 touch)	112.5	112.50	112.50	112.50	112.50	112.80
Shanghai Mexican Dollars per $100	72.8875	72.90	72.875	72.8875	72.8875	72.9125
Native Bank Rate of Interest (Call money)	1%	1%	1%	1%	1%	1%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	3 %	London on Paris	T/T 121.84
Bank of France rate of discount	2½%	New York on London	T/T 486 5/16
London open Market of Dis. 3 m/s	2 1/8 %	Bombay on London	T/T 1/5 3/4
,, 4 ,,	2 3/16 %	Hongkong on London	T/T 1/3 11/16
,, 6 ,,	2⅜%	Kobe on London	T/T 2/0 3/8



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs. Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls.

IRISBANK, August 1.
(Agents: Lacey & Cannan, Ltd.)
To U. S. of America
Oil, Wood ..... Tons 489
From U. S. of America.
Cotton, Raw.....Bls.100 Pls. 2,445

CHICHIBU MARU, August 2.
(Agents: Nippon Yusen Kaisha)
To U. S. of America.
Silk, Raw, Steam Filature:
White, S'hai...Bls.130 Pls. 129.53
Silk, Raw, Filature:
Wild, Antung..Bls.400 ,, 420.71
Tea, Green, Gunpowder,
Ningpo..... ,, 223
Oil, Wood ..... ,, 4,595
Seed, Sesamum..... ,, 7,200
Eggs, Fresh Pcs.32,000

PRESIDENT GARFIELD, Aug. 4.
(Agents: Robert Dollar Co.)
From U. S. of America.
Cotton Drills, Yarn-dyed.. Yds. 2,413
Aluminium ..... Pls. 26
Aluminium Sheets..... ,, 24
Aluminium-foil..... ,, 38
Iron and Steel, Ungalvanized:
Nails, Wire..... Pls. 23
Pipe Fittings..... ,, 25
Canned Asparagus..... ,, 93
Asbestos Packing ..... ,, 2
Apples, Fresh ..... ,, 75
Cement ..... ,, 465
Cotton Thread, Embroidery ,, 8
Cotton Knitt Clothing,
Raisid ..... ,, 13
Flour, Corn ..... ,, 30
Fruits, Table and Pie..... ,, 7
Flour, Wheat ..... ,, 1,470
Ink, Printing ..... ,, 175
Indigo, Liquid, Artificial:
20 per cent. strength ,, 1,600
Leather, Cow, Patent..... ,, 1
Leather, Sole: Bellies ... ,, 25
Oranges, Fresh..... ,, 126
Paper, Chipboard ..... ,, 760
Paper Kraft..... ,, 41
Paper, Printing..... ,, 37
Paper, Writing..... ,, 15
Sulphur Black ..... ,, 417
Sugar of Milk ..... ,, 100
Bedsteads, ron..... Pcs. 60
Lanterns ..... ,, 120
Lemons, Fresh ..... ,, 9,300
Machines, Knitting..... ,, 1
Machines, Sewing..... ,, 54
Motor-cars ..... ,, 1
Rubber Tires:
For Motor-cars..... ,, 1,058
Rubber Inner Tubes:
For Motor-trucks..... ,, 900
Cigars ..... Mille 3
Files..... Doz. 1,391
Oil, Lubricating, Mineral Galls. 1,569
Shoes, Leather ..... Pairs 180
Dyes, Aniline..Pkgs350 G.Units18,032
Machinery ..... ,, 12,507

CHINESE PRINCE, August 5.
(Agents: Furness (Far East), Ltd.)
From U. S. of America.
Cotton Flannel, Grey..... Pcs. 38
Cotton Blankets ..... Pls. 2
Aluminium Sheets ..... ,, 6
Copper, Wire..... ,, 4
Iron and Steel, Ungalvanized:
Bolts and Nuts ..... Pls. 2
Pipes ..... ,, 148
Sheets ..... ,, 102
Iron and Steel, Galvanized:
Bolts and Nuts ..... ,, 28
Wire Rope, New..... ,, 335
Borax ..... ,, 252
Ink, Printing ..... ,, 14
Lampwick ..... ,, 3
Lard..... ,, 19
Tobacco, Leaf ..... ,, 2,848
Tobacco, Prepared..... ,, 9 / Lb. 450
Oil, Lubricating, Mineral Galls. 866
Cigarettes..... Mille 160
Rubber Tires:
For Motor-cars..... Pcs. 60
Rubber Inner Tubes:
For Motor-cars..... ,, 105
Shoes..... Pairs 744
Dyes, Aniline ...Pkgs 52
.....G.Units4,245
Machinery, and Part of... ,, 36,007

Latest New York Stock Exchange Quotations

Market: Firm Business Done 1,941,910
September 10.

1929-1930 High	1929-1930 Low	STOCK	Sept. 8	Sept. 9
37⅜	21⅞	Adams Express	27⅛	27½
156½	108¼	American Can	132⅞	134
101¾	56½	American & Foreign Power	72⅞	74⅝
100⅞	53⅞	American Rolling Mill	52½	53⅛
79½	53	American Smelting	70⅝	69⅞
274¼	200⅛	American Tel. & Tel.	216⅞	218½
269½	197	American Tobacco "B"	256	260
124⅞	78⅛	American Water Works	94¼	97⅞
81½	44½	Anaconda Copper	47⅝	Mutl.
58⅜	30⅛	Atlantic Refining	34¼	33¾
122⅜	98¼	Baltimore & Ohio	100¾	100⅜
110¼	75¾	Bethlehem Steel	89	89
50½	53⅝	Borg Warner	30⅛	30
38⅜	13	Calumet & Helca	13¾	14
226¾	176½	Canadian Pacific Railway	183¾	185
125⅛	92	Chicago Rock Island	Mutl.	98¾
43	24	Chrysler	29	29
44¼	24⅛	Cities Service, Common	Mutl.	29¼
87	57¾	Columbia Gas & Electric	61⅞	63¾
37⅜	13¾	Columbia Graphaphone	17½	17½
20¼	12⅝	Commonwealth Southern	14⅛	14¼
6¼	3¼	„ „ war.	3⅞	3¾
136⅞	96⅝	Consolidated Gas. of N. Y.	109¾	111⅞
30½	18⅜	Continental Oil	19¼	19¼
111⅜	87¼	Corn Products	94⅝	94⅝
14⅞	6½	Curtiss Wright, Common	6⅞	6⅞
145¼	95¾	Du Pont de Nemours	121½	123¼
255¼	175	Eastman Kodak	217½	219
117⅜	70¼	Electric Bond & Share	83½	84⅞
63¾	35⅛	Eire Railway	40⅝	40
57⅜	16	Fox Film "A"	51¾	51⅝
95⅜	60⅛	General Electric	74	74⅜
61¼	46⅛	General Food	57¾	58⅝
54¼	37½	General Motors	46⅞	46⅜
106⅞	75⅛	General Railway Signal	82	83
47⅞	34½	Gold Dust	41⅝	42½
58	22½	Goodrich Rubber	23⅜	23¼
96⅞	54⅞	Goodyear Tire & Rubber Co.	52⅝	52¾
59⅞	18	Granby	23⅛	23
109	70	Hershey Chocolate	102	99
75⅜	55¾	International Cement	66½	66¼
14½	5	International Combu. Eng.	7⅛	6⅜
115¾	76	International Harvester	81	81¼
44⅜	20	International Nickel	25½	25⅞
77⅜	40⅛	International Tel. & Tel.	42½	43
148⅜	74	Johns Manville	96	95
63¾	33½	Kemecott Copper	36¾	36¾
35⅜	23¾	Kreuger & Toll	27⅝	28⅝
48⅛	21	Kroger Grocery	25¾	26¼
114⅜	85	Liggett & Myers, "B"	Mutl.	103
95¾	42⅛	Lowes: Inc	79¾	80⅛
44⅞	22	Ludlum Steel	21¾	21¾
49⅞	31	Montgomery Ward	36⅛	36½
32	13⅜	Nevada Consolidated Cop.	15	15¼
192¾	150¾	New York Central	165¾	165⅜
107⅛	72	Pacific Lighting	80¾	80⅞
23⅜	12½	Packard Motor Car	13⅝	13⅝
77¼	48⅝	Paramount—Publix Corp	60½	61
85⅝	67⅞	Pennsylvania Railroad	74¾	74¾
16½	10⅛	Pennroad Corporation	Mutl.	10¾
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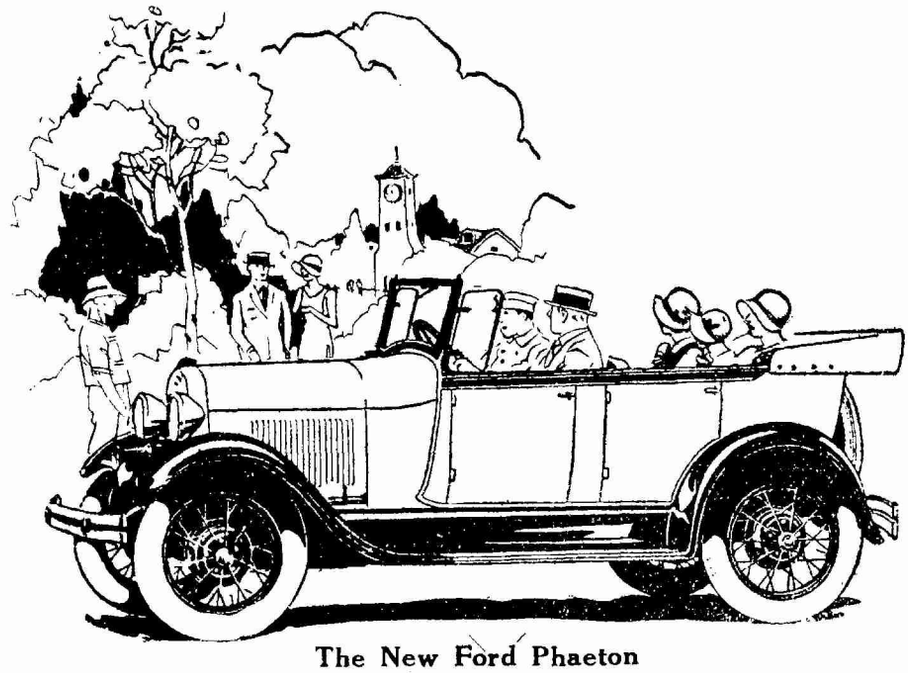

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